

Engineers helping to prevent more severe power cuts

Generators at four of the ten power stations forced to close by the unofficial action of some workers are being restarted today by professional engineers. Their union, The Engineers' and Managers' Association, has agreed to help the Central Electricity Generating Board to put pressure on the men to end the dispute which, the board said, has increased costs by £1m a day and will mean dearer electricity

£1m a day dispute will raise bills

By Christopher Thomas
Labour Reporter

Pressure on power workers to abandon their unofficial action increased last night as a TUC-affiliated union agreed to help to reopen four of the 10 power stations forced to close.

The Central Electricity Generating Board refused to name the stations but said they could be big ones, that should ensure that power cuts are no more extensive than they were last week.

The men's jobs are to be covered by professional engineers belonging to the Engineers' and Managers' Association (EMA). At the outset of the dispute it told the board that it was willing to cooperate to prevent power cuts.

The decision to seek the engineers' support was taken reluctantly because of the serious implications to industrial relations in the industry. Mr Gil Blackman, the board member responsible for operations, said last night: "I do this with a tremendous amount of regret, there will be a worsening of relationships between the supervisory staffs and the men."

He added that the leaders of the dispute were "out on a limb". They had caused a great disturbance and were frightened, but could not just give in. That was why he had given them so much time before deciding to ask the engineers to do the work.

Only a few hundred of the 10,000 engineers will be involved in the operation to restart the power stations this morning in time for the heavy loading demand. Without their support the number of power stations which would have been restarted would have been greatly reduced.

Mr Blackman said: "Shut-outs are getting beyond the 20 per cent mark, so we have decided on this action to ensure that the power supply is not cut off. We will be doing things in a scratchy way and it will tax the people doing it, but it can be done. This is a last resort. We will use all special deals but there are no facilities for paying the men extra work."

Apart from power stations forced to close, 11 reduced output yesterday, compared with 14

the day before. That is being interpreted as signalling a drop in support for the action. However, the drift back to work is not evident in the big South Yorkshire stations, where the dispute is mainly concentrated, so the effect on output is marginal.

The CEGB was adamant last night that there will be no talks with the leaders of the action. Mr Blackman said: "I now begin to wonder what it is they want. They are at odds with their own district and national trade union officers, but they do not need to pull the public apart in order to make their case."

The dispute would have a telling impact on growth because industrialists would feel that electricity was not reliable, he added.

Mr Wedgwood Benn, Secretary of State for Energy, met industry chiefs and union officials yesterday for informal talks aimed at finding a peaceful solution. The energy department said he was preparing the ground for a meeting in London today of the industry's national joint industrial council.

The unofficial shop stewards' committee is to meet in Doncaster today. Last night its secretary, Mr Albert Perryman, who is a shop steward at Cottam, refused to comment.

The CEGB has issued a statement to the men involved in the action, believed to number only about 4,000 out of the 30,000 workers employed by the board. It says that the dispute has put up the board's costs by £1m a day, which will mean dearer electricity for all.

The statement reiterated that nobody who since last Thursday had refused to work normally would be paid, because they were in breach of contract. Nothing would be gained in dealing with the unofficial group because the board understood that the present claims were simply the first instalment of a much larger list on which disputes might continue through the winter.

The statement continued: "The board are convinced that millions of the industry's consumers expect them to resist the attempts of a group of staff to use their strength to damage not only consumers and the board but also, by bypassing the established negotiating machinery, their fellow workers."

The statement pointed out that the Government had agreed to a national joint industrial council request on travel allowances and was prepared to support assistance for staff working at remote sites. Increased shift allowances had also been agreed, although they could not be paid until March.

Mr Blackman said last night that the shop stewards committee had tabled a "great shopping list of things they wish to achieve", including a big pay rise, which was an irresponsible approach. They wanted to be in the topmost position on all fronts.

"An outrage": The power workers' action was described by Canon John Collins yesterday as an "outrage against human life on a par with the jockings and the taking of hostages" (the Press Association reports).

"Those who are responsible are not even motivated by any noble cause", he told his congregation during his Sunday sermon at St Paul's Cathedral. "They are men who, in present-day Britain, are among the relatively well paid workers. It is the public that is being taken hostage, and it is the weakest, those who are most unable to fend for themselves, the old, the sick, who are made to suffer."

Canon Collins said he had often drawn attention to the ugly expressions of capitalism. "But I now find myself wondering whether we are facing the ugly face of socialism. I trust not, but I fear that it may be so."

Mr Frank Tombs, chairman of the Electricity Council, yesterday, appealed to the public not to take part in the "outrage and anger on all power workers". It is only a minority led by a small unofficial group that has been the cause of the damage and hardship, he said. "The great majority of our staff are not only working normally but even much harder than usual in an effort to keep electricity supplies going."

Moderate miners try to avert a clash

From Paul Rounledge
Labour Editor

Blackpool
Moderate miners' leaders are seeking to rebuild their wage strategy, which was shattered by last week's pithead ballot rejection of a productivity deal. Private discussions designed to head off a confrontation with the Government took place in Blackpool during the weekend.

Two main courses of action have emerged. The first, being promoted by Mr Leonard Clarke, president of the Nottinghamshire miners and the moderate chief strategist, is to go for an immediate strike ballot; the calculation is that miners will reject a strike in the pre-Christmas period.

Under the terms of the resolution on wages adopted at the annual conference in July, which "seeks to achieve" rises of up to 90 per cent from November 1, the executive of the National Union of Mineworkers has to consult the membership on industrial action if the coal board does not give a satisfactory reply to the claim.

A snap ballot, it is argued, might find the left unprepared for a renewed campaign of industrial resistance. The rejection of the strike weapon. But if delayed until after Christmas, the vote would almost certainly be for industrial action.

Not all the moderates share this optimistic evaluation. Some, including the union's president, Mr Joseph Gormley, fear that it might misfire, and even an ardent supporter of the proposal admitted that it would be "playing Russian roulette".

But Mr Clarke is adamant that the men should be asked to give their verdict quickly. "There is a lot of uncertainty in the nation about the way the miners are going to go, it is affecting the pound and the stock market. Everybody is on tenterhooks. We cannot go through Christmas like that."

"I think a ballot without a recommendation would be sounder. Then they would be standing up to be counted. We have reached a stage where it is Arthur Scargill and Mick McGahey, or Jim Callaghan and the TUC. So let us put it to the members. Let them determine. If they say 'yes' that is that."

The second course being considered by the moderates is a breakaway from the national agreement, allowing individual deals for the high output coalfields. Both the coal board and experienced hands on the union executive are wary of it.

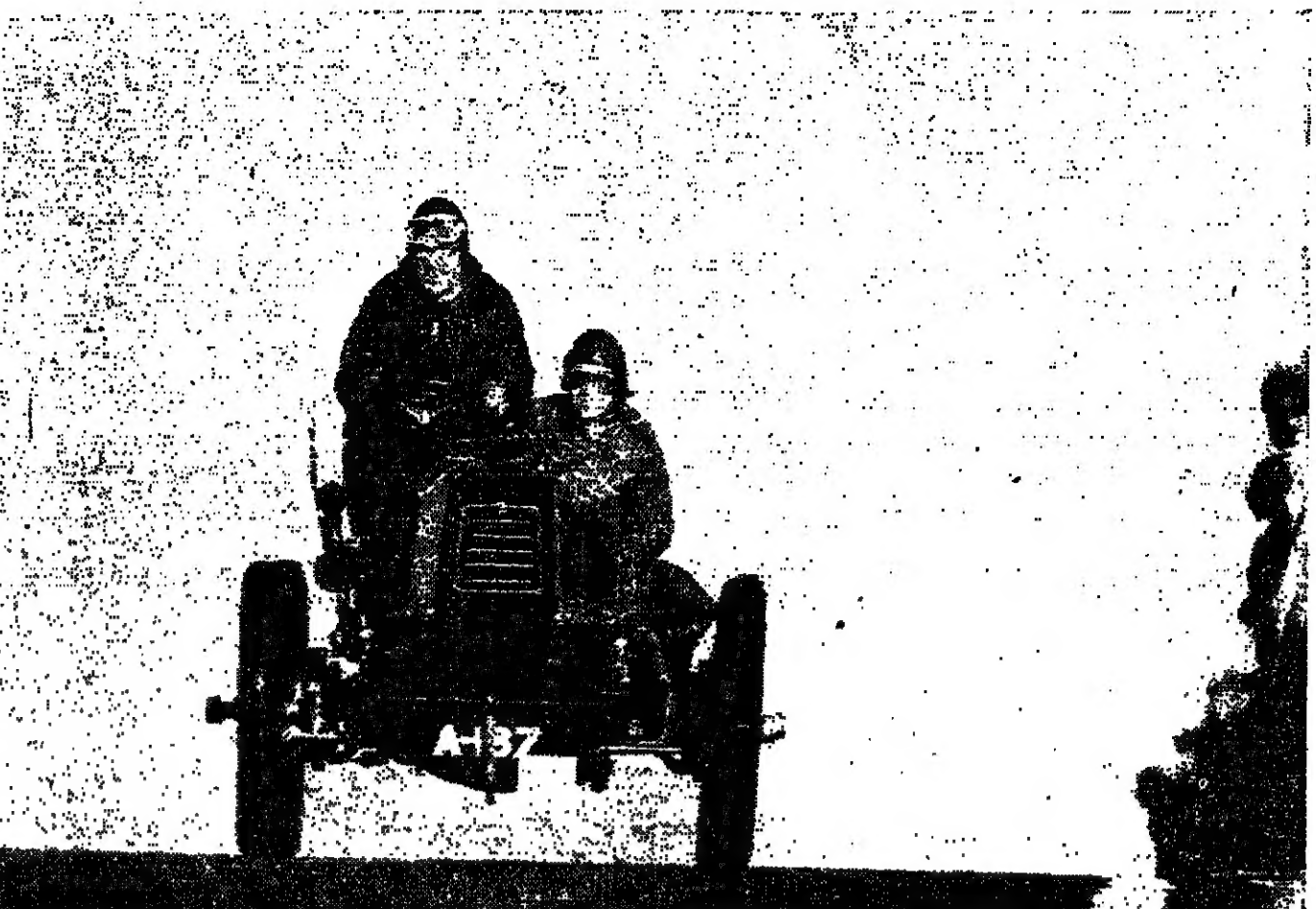
The union's coming under intense political pressure to rescue the credibility of the Government's incomes policy, reaching from as high as the Prime Minister, I understand. Mr Callaghan has warned the miners' leadership that a strike that breaks the productivity deal would let in a Tory government prepared to scrap the industry's cherished "plan for coal".

All those considerations will arise at a meeting of the executive on Thursday, when the coal board is expected to inform the union that its claim for £135 at the coal face from November 1, with proportionate rises elsewhere, breaches the TUC's 12-month rule and the Government's 10 per cent limit on earnings.

Mr Gormley said yesterday: "I have said to ministers and to the TUC that 10 per cent will not solve the problem. I hope that during negotiations we will be able to reach a position where we can satisfy one another that we have reached an honourable solution. I hope we will reach a solution, but I will negotiate hard for the miners."

In their attitude they will be joined by some moderates, including Mr Sidney Vincent, the Lancashire miners' secretary, and the size of the Government coalition will determine the course of the pay struggle.

The policy of the left-wing minority on the executive will almost certainly be to reject the coal board's offer and seek talks on the basis of the claim. Miners' festival, page 4



A 1902 Mors racer, owned by Mr W. D. S. Lake, of East Grinstead, Sussex, during the London-to-Brighton veteran car run yesterday. Prince Michael of Kent competed in a 1903 Daimler. Mr Roger Collings, of Glamorgan, arrived first in a 1903 Mercedes.

Leader of Chinese Triad to be deported

By Penny Symon

A leading member of the Wo Shing Wo Triad, a Chinese secret society, is being held at Harrow Road police station, in west London, pending deportation to Hongkong for not renewing his visa.

Mr Yan Lap Leun, also known as "George Lai", was arrested in July for the visa irregularity and taken to Bristol prison. He has made several appeals against deportation, and last Wednesday, after his final unsuccessful attempt, he was taken to Harrow Road by Scotland Yard detectives.

The date for his deportation has not been fixed. Meanwhile, he was being questioned yesterday by detectives about the activities of the Triads, and allegations that he is involved in protection rackets and the importation and distribution of heroin.

The allegations, published in The Sunday Times yesterday, are that Mr Leun is the highest ranking member of the Wo Shing Wo Triad, and the top figure in the trafficking of heroin from South-East Asia.

Scotland Yard detectives have found it difficult to penetrate the intense secrecy that surrounds the Triads. Full membership involves a long apprenticeship and an initiation ceremony where the new member must promise never to reveal secrets or signs of his society. The punishment for that is death by "myriads of swords".

The police began to investigate them last year when imports of heroin into the United Kingdom increased.

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France: M Mitterrand, the Socialist leader, declares himself ready to meet his Communist partners in the Union of the Left "without conditions, without preamble and without delay".

West German Investment Overseas: A five-page Special Report on commercial interests around the world.

Carter tour postponed for energy wrangle

From Patrick Brogan
Washington, Nov 6

President Carter has postponed his trip to South America, Africa, Asia and Europe, which was due to begin on November 22. He has informed the various governments that the difficulties the energy Bills have encountered in Congress require that he should stay here.

He has just vetoed a Bill providing funds for the Clinch River nuclear reactor in Tennessee. It is the first veto of his Administration, and could be defeated only by a two-thirds majority in both houses of Congress. There is little chance of that.

Mr Carter was to have visited Caracas, Brasilia, Lagos, Riyadh, Delhi, Teheran, Paris, Warsaw and Brussels in a trip lasting 11 days. The usefulness of the tour was always a little obscure, especially since the heads of state or senior ministers of most of the countries involved have been in Washington recently.

The President would have discussed oil prices in Venezuela, Nigeria, Saudi Arabia and Iran and he would have continued the work of soothing the feelings of the Brazilians, which were much ruffled by his remarks about human rights in his early days as President. The visit to India would have marked a resumption of cordial relations after the long chill during Mrs Gandhi's rule.

When the visit was arranged, President Giscard d'Estaing clearly hoped that Mr Carter would help his Government in a difficult election. Now that the French left has split, American assistance is less necessary.

A visit to Brussels could never have any but a symbolic importance and least significant.

37 killed at US Bible college after dam bursts
Toccoa, Georgia, Nov 6.—At least 37 people, many of them students and their families asleep at a small Bible college were killed and 45 injured early today when an earth dam burst.

The wall of water fell over a 186-ft waterfall in northeast Georgia on to the lower campus of Toccoa Falls Bible College, where 250 people lived in dormitories, houses and caravans.

Mrs Rosalynn Carter, the president's wife, flew to the scene from Washington.—AP.

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S Africa may force foreign firms to make arms

From Ray Kennedy
Johannesburg, Nov 6

The South African Government is ready to compel foreign and local companies to manufacture military supplies to counter the United Nations mandatory arms embargo, it was reported here today.

The Johannesburg Sunday Times reported that Mr Chris Heunis, the Minister of Economic Affairs, said he would apply extraordinary powers under the National Supplies Procurement Act "if forced to do so". The Act gives the Government powers to compel companies to fill in the gaps left by the embargo.

Should firms refuse to comply, the goods can be seized or their facilities taken over to produce them. Fines of up to £1,300 and two years' imprisonment are provided.

Mr Heunis emphasized that he would only invoke the Act if forced to do so. It was not in South Africa's interests to specify which goods might be affected by the embargo.

There are fears in some quarters of "creeping economic sanctions" with the arms embargo spreading to include a wide range of items from car spares to Boeing jets.

But there also appears to be a loophole in that countries are required to "review" and not to cancel at this stage existing licences and contracts. This would apply particularly to France which, although it announced five months ago it would not supply any more arms to South Africa, stands to lose over £450m if existing contracts and licences are revoked.

Senior civil servants to sue over pay

By Maurice Corina
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Legal action to force the Government to implement substantial salary increases for members of the nationalised industry boards and senior civil servants, is to be taken by the Institution of Professional Civil Servants.

Three years ago the Government froze big rises for chairman and statutory members of boards and senior state enterprises recommended by Whitehall's Review Body on Top Salaries.

Full increases recommended by the senior civil servants including permanent secretaries and departments to be paid in cash have not been paid.

Mr William McCall, general secretary of the IPCS, reveals in a statement issued today that his organization has decided to ask the high salary earners for a pay freeze as compensation for the differential down the line.

"It is outrageous that the recommendations made in December 1974 have not yet been fully implemented for the 10 grades in the civil service and not at all for members of the boards of nationalized industries."

"After taking counsel's opinion the national executive committee has now decided that legal action must be taken. It is regrettable that this would be the position. These problems ought to be solved by the process of discussion and negotiation; but when a government acts without principle in total negation of all the merits of a case, every other alternative must be explored."

What kind of legal redress is open to the institution is not clear.

Mr McCall said last night: Counsel's opinion was quite clear that the whole situation employment implied higher pay being awarded for promotion, and that is manifestly not happening at the moment. We have the silly situation where people would be earning more if they stayed in a lower executive capacity and did not try to get to the head of a nationalized industry."

Re said that what would be used "quite quickly", but the institution had not yet decided on their precise form, and would be taking further legal action.

Chancellor to see tax men over cash claim

By Fred Emery
Financial Editor

Inland Revenue staff representatives, complaining of "budget fatigue" from the tax changes this year, are to meet Mr Healey, Chancellor of the Exchequer, today to try to settle their demand for a cash bonus.

If he is unforthcoming, the Inland Revenue staff are expected to intend for pre-Christmas pay packets are certain to be delayed, according to Mr Anthony Christopher, general secretary of the Inland Revenue Staff Federation.

The Federation's 29-member national executive, which is meeting Mr Healey for the first time, has drawn up contingency plans. Mr Christopher said yesterday that they included refusal to implement the latest economic measures, which he admitted raised a direct challenge to Parliament, and a ban on overtime.

Mr Christopher said that the system had gone wrong when such "impeccably responsible civil servants" as his tax officers were near revolt. He said his request for a flat £100 bonus, which he contends would not violate pay policy, had been rejected, but that he had otherwise had a sympathetic response from ministers.

Of his 50,000 members, Mr Christopher said: "I have never seen a reaction like this. The staff are saying 'Enough is enough.' Up and down the country tax officers were attending union meetings in unheard-of numbers. At one at Manchester last week, 1,500 had tried to stand in a hall with only 500 seats and the police had to be called."

He suggested that their burden must be "unique in Britain". They were being paid to pick up 50lb, and now they are asking us to pick up 65lb, he said, referring to the latest relief coming on top of a "mucky" alteration of 4,500,000 tax codes over cuts in mortgage rates.

Lord Carver's first meeting with Mr Smith
Field Marshal Lord Carver, the British Resident Commissioner-designate, has left Salisbury after his first meeting with Mr Smith, the Prime Minister, having apparently succeeded in clearing up some Rhodesian misconceptions about the Anglo-American settlement proposals. Mr Smith accepted Lord Carver's assessment that broad agreement on the desirability of a ceasefire and a settlement had been reached, but the highly complicated questions of how this was to be achieved remained unsolved.

IRA man reburied
The Provisional IRA has secretly exhumed the body of Frank Stagg, the hunger striker who died in Wakefield jail, and reburied it in a republican plot at Ballina, Co Mayo.

Economists' attack on floating pound

Three leading British academic economists today attack the policy of allowing the pound to float upwards on international currency markets. The attacks, in articles in two economic journals, state that the Government should have taken alternative action to prevent the speculative inflow of foreign money.

India and Bangladesh have signed an agreement on the sharing of the Ganges waters. They thus ended a dispute which has lasted 25 years and held up the bringing of the Farakka barrage into operation.

Comradely tribute
Saluting Soviet achievements since the Revolution in removing unemployment and in ensuring a constant growth in the workers' living standards, Mr Alex Kitson, addressing a rally near Moscow on behalf of the British Labour Party, looked forward to closer links with the Soviet Communist Party.

Move to publicize British resorts
The Department of Trade is to set up a working party to study the problems of traditional British holiday resorts. This is one of several moves to expand the tourist industry. The aim is to keep British holiday makers at home, as well as attract foreign visitors.

Anti-Soviet protest
The name of President Eanes of Portugal was booted by demonstrators in Oporto at the weekend. A bomb exploded under a car outside army command headquarters. The demonstrators were protesting against the celebration in Portugal of the Russian Revolution's anniversary. Scuffles broke out with extreme left-wing groups.

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The Why, When, Where and How of Hine Cognac

Where Hine?

Hine (pronounced to rhyme with the English 'fine') comes from Jarnac, at the very heart of Charente where the best Cognacs originate. From there Hine finds its way to the heart of Cognac connoisseurs around the world, because Hine has a special appeal to the connoisseur of Cognac.

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It is also available at all good wine merchants.

Hine The Connoisseurs' Cognac.

For an informative leaflet on Cognac, send a postcard to Dept. TM 6th Floor, 1 Osnston Street, London SW1V 4EG.

HOME NEWS

Hotel guides fail to agree about excellence

by Robin Young, consumer Affairs correspondent

The publication of a second guide to British hotels and restaurants within a week shows in usual contradictions and disagreements among such books. *Egon Ronay's Lucas Guide* for 1978, published today, gives its highest marks for a provincial hotel, 91 per cent, and one of only two three-star ratings for its cuisine, to the Westbury Hotel, at Fort William, Highland. Yet the establishment was not even mentioned in the *AA Guide to Hotels and Restaurants*, published last week.

But similarly the Ronay book has no mention of the outstanding Cranage, North Yorkshire, trumpeted by the *AA* as the most peaceful retreat in the country.

Although the *AA* says criticizing standards of catering in public places such as motorway service areas is "to flag a dead dog", Ronay persists, finding among 56 restaurants and cafés only one that it rates to categorize as "good", and ranking 12 as "appalling".

Perhaps as a counsel of despair, the new Ronay book for its first time advises which items of food may be found in as low a category as "appalling".

The one "good" motorway discovery was Mecca's restaurant at Trowell, Nottinghamshire, on the M1.

Another innovation is a spin on "executive hotels" providing facilities required by travelling international businessmen, such as direct-dial telephones, telex, and 24-hour laundry. The report says that though there are 28 such hotels in London there are only 1 in the rest of England and one in Wales or Edinburgh.

The 15-bedroomed Gravetye Manor, East Grinstead, is nominated as Ronay's hotel of the year for its exemplification of "country house hospitality in a beautiful setting, combined with dedicated hotelkeeping".

The restaurant-of-the-year award goes to Carrier's, Islington, London, where the cooking is said to be "now even better than it has been for years" though the rival *Good Food* magazine recently dropped the restaurant from its pages.

Among changes from last year's verdicts the most startling is that the Savoy Hotel, famous by nine per centage points and is dropped from may's de luxe category. On the other hand, the Ritz, where previous improvements are being carried out, remains the de luxe class. The top hotels are the Berkeley, with 93 per cent, and the Connaught, which

Among the London restaurants that lose their status for outstanding cuisine are the Capital Hotel, the Wyndham, and the Grosvenor.

The book expresses concern over prices, especially in London. It says that £30 to £40 dinner for two is "no exceptional charge", but only out 15 per cent of the snobility in top London restaurants are Britons not on foreign accounts.

De luxe hotel prices, quoted £70 to £95 for bed and breakfast for two, are "taboo" for the natives and may be iced Britain out of the tourist market.

Comparing prices within international groups, the books say that a double room at the London Hilton, £50 without breakfast, would be only £29 in a Hilton in Zurich orussels. "Maintaining astronomical charges at a time of unprecedented room scarcity is outrageousness, or worse", says, suggesting that the financial turnover on high occupancy rates in London is not all clear profit.

Sharp struggle likely on Communist strategy

Peter Strafford

The Communist Party of Britain faces some sharp disagreements over policy when national congress begins on Friday. That is made clear by a set of resolutions published today, which shows that many of the party's branches are uneasy about some positions urged by the leadership.

criticism focuses on the new line of *The British Road to Socialism*, which was published in February and has been under discussion ever since. The branches regard it as "revisionist" or "social-democratic".

The main emphasis of the new line is on appealing to a larger section of the population on forming a "broad democratic alliance". It describes the struggle of power as a peaceful, gradual process, in which the important stage is the winning of a Labour government which will carry out a "left turn" ending up the road to socialism.

The draft says that "Britain's road to socialism will be different from the Soviet road because of its different conditions. It envisages a "left turn" standing down if elected in an election. "There is no question of a coup being left to reverse the electoral line."

On the beat, 1: Faster responses reduce contact with the public and leave less room for prevention of crime

Proliferating computers print out the revolution occurring in the police force

Police officers, angry about their pay, are avoiding the outcome of an inquiry by Lord Edmund-Davies, who will take into account the job's stresses, dangers and responsibilities. Peter Evans, Home Affairs Correspondent, has been on the beat with the police.

In the 20 years that Police Constable Thomas Burton has been in the police, a technological revolution has changed the nature of the job.

When he first went on the beat he had to blow a whistle if he needed help, and kept in touch by telephoning his station or making a rendezvous with his immediate superior. Today he need never be out of touch. If he or the public needs help he can call for it over his personal radio. If he sees a car that he thinks is stolen he can get it checked within a couple of minutes from records in the police national computer.

His will be one of 50,000 or more inquiries the computer handles every day, half of them about stolen cars. It already contains names of vehicle owners, the index to stolen vehicles, a fingerprint index, and the criminal index. Names of wanted and missing persons are also in the computer next year. Later will be added lists of stolen cheques, credit cards, other stolen property and names of disqualified drivers.

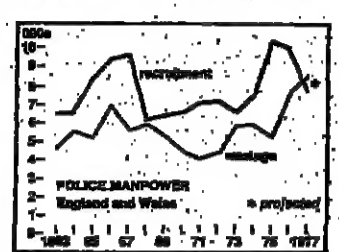
Now a computer is to be used in detecting and other serious crimes. The Home Office wants to test it in collating for easier analysis the mass of information that pours in during a big

inquiry, for instance that into the kidnapping of Lesley Whittle.

The age of the technological policeman arrived in Birmingham, where PC Burton works, with the installation of the first command and control computer in the country, an example since followed by other forces.

In the Birmingham operations room, fingers flicker over the keys, putting into words and figures on television-like screens details of incidents, which can be transferred to local stations. Those details, with action taken, are stored automatically for instant recall later to help with management planning and analysis.

Use of the pocket radio, the computer and more cars have quickened police responses. But it has also put new burdens on the constable at the receiving end of the increased flow of information, left him less chance to exercise his own discretion and to get to know well the public in his area as he spends more of his time



Wastage of police officers exceeds recruitment, which had only just recovered from the 1967-68 financial squeeze.

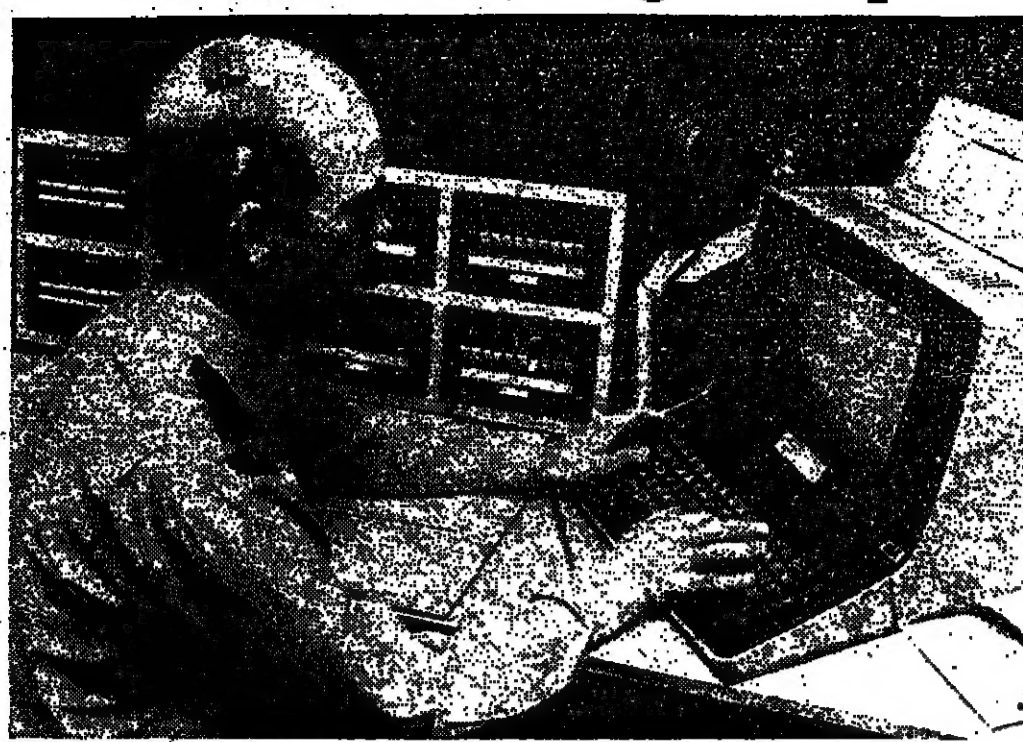
responding to calls. Educated to use the system, people have widened their demands.

Panda car drivers have found themselves being asked to relay messages from nurses to their husbands that they are delayed by pressure of work. Knowing that policemen are easily accessible by radio and, as more mobile, people more often ask them to pass on urgent information to relatives, such as that of a death, that they might once have delivered themselves. PC Burton once received an emergency call via his radio while in a panda car: "Family disturbance. Man having trouble with son." On arrival he was told that the son, aged 12, would not go to bed.

The effect of improved communications and greater use by the public of the police means that some incidents are recorded that in the past might have been treated in private. This change must add to the crime figures.

Because policemen can arrive quickly at the scene of a disturbance, they are more liable to injury, some say. The extra time taken in the old days would have given a chance for tempers to cool. On the other hand, a quick response is what people want when they dial 999, and policemen are glad to be able to give it, and perhaps prevent more serious trouble. The public demand and shortage of men means there is often a waiting list of things to be dealt with. As things, police work is about the choosing of priorities.

When there is a shortage of men and work builds up, officers may be called in from the beat to help in clearing it. The



A policeman working the computer in the operations room at Birmingham force HQ.

pressure increases the tendency of the police to act like a fire brigade, responding to fires as they occur and leaving less opportunity to prevent them.

To cope with the incidents they are called to the police have created specialist squads, which reflect society's growing ills. PC Burton says: "Now we have the accident investigation squad, the anti-vandal squad, the theft from vehicle squad, the plate-clothes squad, and we

work in conjunction with the vice squad and the drug squad." The squads make their own demands on manpower. Some think that if there were more local policemen who knew the area they would be able to spot some things before they reached the point at which a squad was needed.

The squads mean another change in the work of the local policeman. Instead of seeing the job through as a craftsman, he

is working more as if on an assembly line, doing his little bit and passing the job on. That always happened to some extent, but not so much as now. The result is that the local policeman's status with the public he deals with is reduced and there is less job satisfaction. The need to keep informed the increasing number of specialists and bureaucrats wanting statistics has meant a rise in paperwork, one of the

biggest grumbles of the modern policeman.

A public fear of increasing violence is one reason why police are called to more incidents through the ever responsive communication system. In where people may not know much about their neighbours or feel part of a community, they are inclined to call in the police if they think something may be wrong, rather than ring a door bell and ask about it first.

It is better to be safe than sorry, and the new technology enables the police to act swiftly and people to feel safer. But the demands on an over-stretched force now being encouraged by the quality of the system means that some officers do not always get a meal break in their shifts, particularly at night. Parkinson's law is at work.

There are troughs as well as peaks, though. In some places, officers on the beat have told me that boredom is sometimes a problem. Late at night in the rain they wonder if they would not be better off somewhere else, perhaps in another job.

The shortage of men and the Sex Discrimination Act means that increasing numbers of young policemen are going out alone into tough areas, though they can swiftly obtain help by radio and sergeants keep a fairly close eye on them. In an attempt to reduce the gap between police and public Devon and Cornwall police are reexamining the needs of the community and where necessary bringing back more village bobbies.

Next: On the beat in Devon

Electronic count of salmon in the Severn

From Arthur Osman, Shrewsbury

Reliable statistics about the annual migration of spawning salmon in the river Severn are obtainable for the first time from a newly installed electronic fish counter at Shrewsbury weir. Since the device started operating two months ago about a thousand fish have been logged using the pass at the side of the weir, which was completed for the autumn salmon run last year.

Dr John Woodland, district fisheries officer, said that the fish were still running and he did not want to give exact figures yet, "because we may have poaching problems if I do. We would prefer to leave it until late this month, but there are substantial numbers and the fish pass is working very much better than we expected."

Before this year a visual count was the only way of estimating the number of adult salmon in the reaches above Shrewsbury. Although in high water not all salmon use the pass, some leaping the weir itself, fisheries staff will be able to assess more accurately the size of the annual run.

The counter can determine whether fish are moving upstream or down stream.

Six charged over ransom demand for bank family

Six people are to appear at Highbury Corner magistrates' court, north London, today charged in connection with a £30,000 ransom for the release of a north London bank manager's family.

Four men are charged with robbery, and a man and woman with dishonestly handling £13,000.

Police were still searching yesterday for £7,000 of the money. It is believed that it was thrown from Westminster bridge on Friday evening

mittee, so that it could be shelved or rewritten.

A resolution from West Ham North complains that the draft does not give "an objective revolutionary lead for the establishment of the dictatorship of the proletariat". Another, from Peterborough, talks of "the likelihood of violence from the ruling class" and opposes "the vague and un-Marxist analysis of the section dealing with the transitional period to socialism".

"We are also concerned at the section dealing with socialist countries, which states that our road will not be the same as the Soviet Union, nor will it be a one-party state," the Peterborough branch declares.

The congress takes place against the background of a decline in party membership from 28,519 in August, 1975, to 25,293. There has also been a decline in the circulation of *The Morning Star*, the party newspaper, and several resolutions suggest ways of reversing that.

Not all the party's branches are Moscow loyalists. One resolution, proposed by the Norwich branch, says that it would be "neither Marxist nor internationalist to be quiet on the lack of socialist democracy that exists in the Soviet Union and various Eastern European countries."

The use of repression, including such methods as police harassment, internment in prisons and mental institutions of those, both Marxists and non-Marxists (including Communist Party members), whose views differ from the "official line" can only be condemned as counter-productive both to the building of communism in these countries and the struggle for socialism in the capitalist world."

WHEN THERE IS A POWER CUT AT HOME:

FOR SAFETY'S SAKE PLEASE TURN OFF

Cookers
Electric fires/heaters
TV.

and all other electrical appliances except those listed opposite.

YOU CAN LEAVE ON

Refrigerators
Immersion heaters
Freezers
Central heating if on automatic control, and storage radiators.

FREEZERS

During a power cut or voltage reduction food is safe for at

least 8 hours if you
KEEP THEM SHUT

- * Please make sure that elderly or infirm neighbours are safe and warm.
- * Keep candles and matches or lamps ready to use where they will be needed, and at all times handle with care.
- * Leave a light on so you will know when the power is reconnected.

IF IN DOUBT CONTACT YOUR LOCAL ELECTRICITY BOARD SHOP WHERE YOU CAN ALSO SEE DISCONNECTION ROTAS

The Electricity Council, England and Wales

HOME NEWS



Coalfield capers: The miners held a festival at the weekend to celebrate thirty years of nationalization (Paul Toudelge writes from Blackpool). The first Mining Festival, held in the Winter Gardens, brought together a host of social and cultural events that usually take place in the coalfield throughout the year, including the Coal Queen contest, safety competition, and contests for pit canopies and brass bands. There was also the Leigs & Co dance group, pictured above at the Tower Circus.

It was, by common consent of the 25,000 miners and their families gathered in Blackpool, a huge success. The heady

political issue of the day, and when the miners intend to do about it, took second place to the industry's traditional gregariousness. There was enthusiastic participation in the festival's chief 'event', the Drinkathon. All the competitors considered themselves winners, and this morning's shift may be a few men short at some collieries.

The events culminated in a grand finale in the Opera House yesterday that could happen only in coalmining: a male voice choir, Grimethorpe colliery brass band; one of the increasingly rare British Leyland cars as the top prize in the lucky draw; and a pitman in his woolly

cardigan nervously presenting his eight collier sons, a workers' dynasty in the best tradition.

Mr. J. J. Welsh, aged 53, a Scotsman who works at the Silverdale colliery in north Staffordshire, brought his sons on to the stage one after another to rapturous applause. The ninth, still at school, wants to be a professional footballer, or a miner. A fireworks display on the promenade stopped the traffic. The Coal Queen confessed that her life's ambition was to meet Cliff Richard. A car driven by petrol refilled from coal roared the sea front. And the miners queued to see a facsimile colliery in operation.

Liberals hope Steel tumbril will be a chariot

From Ronald Faux

There has been much rubbing of hands lately in the rambling border constituency of Roxburgh, Selkirk and Peebles over the likely damage being done to Mr. David Steel, the incumbent MP, by the crisis within the Liberal Party. To judge from the considerable excitement among his Tory and nationalist opponents, the rumour has started to roll and Mr. Steel's political spearhead is all but with the momentum. They perhaps overlook that the leader of the Liberal Party is a man of cool political judgment with more influence than most over the timing of the next general election which could yet be two years away. By then, according to Liberal hopes, the tumbril should be transformed into a chariot.

Mr. Steel has already survived worse personal storms in the 12 years he has held the constituency. His own promotion of the Abandon Bill and his unequivocal opposition to the South African rugby tour, in an area addicted to rugby, probably brought the Conservatives to within a few hundred votes of winning the seat. By October, 1974, the majority had returned to its normal 6,000-plus.

Mr. Thomas Riddle Dumble, the Liberal agent, was not too anxious. The Tories, who had presented a different candidate

at each of the past four elections, seemed to be bickering over a head count, he said. "They say they have 8,000 members now and this is 2,000 more than when the 'Lib-Lab' pact was announced, what they omit to say is that at one time the Tories here claimed 10,000 members, and that was after David Steel was elected. I do not like arguing about politics in this way, but whatever happened to the rest?"

In the Liberal view the surge of support for the Tories is no more than the natural movement of a party ruled firmly by the Liberals. Some accept that Mr. Steel is playing a risky game, which could ultimately affect the three Scottish seats, out of a total of 71, that the party holds. That would be particularly so if the Liberals arrived at the next general election carrying little credit for having achieved a prolonged period of stable, moderate government, free from Labour or Conservative extremes.

Mr. Dumble doubted that the party leader would allow that to happen. On a more mundane but to him highly relevant level, he observed: "The Tories are doing extremely well, never better, but the Liberal clubs are excellent." The border Liberals had shown a lot of admiration for Mr. Steel's style of leadership and the course along which he was guiding the party. It was

positive, new, and when it has proved correct beyond doubt, the Liberals could expect to harvest the credit for being a practical party of government. That, at least, was the theory.

Border folk are conservative in the restrained rather than the political sense. There is sympathy for Mr. Steel's position as leader of a struggling and vulnerable party presented with a scandal of such proportions as the Scott affair.

Even so, the Scottish National Party had already doubled its vote in the constituency between the 1974 elections and argues strongly on the issues of farming and fishing, which, along with energy policy, they would seek to renegotiate in Brussels. If there is any disenchantment with Europe among the voters of Roxburgh, Selkirk and Peebles, the nationalists would be most likely to benefit and Mr. Steel, a deeply committed European, most likely to be harmed.

Again, Mr. Dumble was unworried. Perhaps there were some farmers in particular, who were disgruntled about Europe, but such local industries as tweed manufacture, knitwear and most recently electronics, depended heavily upon exports. For them, Europe was a vital market best entered without tariff barriers. Mr. Gerald Malone is the Conservative candidate con-

fronting Mr. Steel. He is aged 27, a Glasgow lawyer who earlier fought the Provan and Pollok parliamentary seats in Glasgow. He counts himself as sharing the same sort of background as David Steel, and noted: "I'm sure the irony of that is not lost on him." It was the rise in membership during Mr. Steel's 14 months as candidate which prompted Mr. Edward Taylor, the Opposition spokesman on Scottish affairs, to mark down Roxburgh, Selkirk and Peebles as a likely gain at the next election.

The Tories have held second place in the seat ever since Mr. Steel won it from them at a by-election in 1965. They launched a membership campaign just as the 'Lib-Lab' pact was announced and considerably boosted membership. A second campaign is planned for the spring.

"The Liberals are rather vague about their membership, but we won 2,000 people with name and address attached," Mr. Malone declared. He admitted the nationalists had become much more active, but that would probably hurt the Liberals more than the Conservatives. It was not clear whether Mr. Malone was referring to Mr. Steel's majority and let the Tories in. "I would prefer not to win that way," he said, sportingly. "But if we do, I would be the last to complain."

Assembly Bill 'will not hush Scotland'

The Government will be miscalculating if it interprets apparent apathy in Scotland over the new devolution Bill as a sign that the Bill has achieved its object of hushing the demand for Scottish independence. Mr. James Sillars, chairman of the Scottish Labour Party, said yesterday.

Cosmetic changes could not hide the fact that the new Bill did not differ in essence from the 'acutely depressing' White Paper of December, 1975, he said in Edinburgh.

An assembly that had no direct influence on the Scottish economy and was important on the question of oil resources would not for long satisfy an increasingly self-confident and assertive Scottish nation.

Mr. Sillars, MP for Ayrshire, South, added: "The day is gone when the Scots will be brought off with the shadow of home rule."

Leaving 'Dr Who'

Louise Jameson, aged 26, who has appeared as a space traveller in Dr Who on BBC 1 for the past two years, is to leave next month to concentrate on her stage career.

Prisoners' medical group to collect drug use facts

A group called the Medical Committee Against the Abuse of Prisoners by Drugging has been set up to collect evidence on drugs use in prisons, it is announced today.

Prop. the national prisoners' movement, which formed it, said it had done so because of concern about "the already widespread, and growing, use of drugs as a means of control inside our country's prisons" and the alleged use of pri-

BBC reviews local radio's first decade

By Kenneth Gosling

On a chilly Wednesday morning 10 years ago tomorrow local radio began its life. Mr. Edward Short, the Postmaster General, hurried into Eric House, Leicester, after a fog-delayed journey from London to open the BBC's first local radio station.

Today the BBC has 20 flourishing local stations, some competing with commercial radio. The original objective of home town radio is still firmly at the forefront of the programmes.

Leicester has an independent competitor, broadcasting on a better frequency than itself, a sore point with the station manager, Mr. Owen Bentley, and even more irritating to the local broadcasting council.

The service provided is a far cry from the days of its infancy, when no locally originated programmes lasted more than 15 minutes and listeners were mainly retailed with network products like *The Dales*, *The Archers* and *The Weylark*.

Today local broadcasts go out continuously from 6.30 am to 1 pm and 3 to 7.30 pm. Considerable thought is given to

programmes for Asians, since they constitute one in five of the population.

There is great pressure for more air time and one scheme being discussed is a Monday evening "Help-line" programme for young Asians. It would be an attempt to bridge two cultures as Asian children, westernized in their attitudes, find a gulf opening between themselves and their parents.

All station managers have complete independence, although Mr. Michael Barton, the BBC's controller of local radio, visits each twice a year. Commercial radio programmes are aimed at a younger audience than the BBC's, whose appeal is more to the older age groups, starting with the mid-20s.

Community involvement is central to all regional stations. Groups who want to broadcast are given professional advice in preparing their programmes. The stations are not prepared to try the American system of giving groups complete freedom of content, but they are free to make for studio chaos and poorly produced programmes.

Reception difficulties are recognized and there are long-term plans for a number of stations to have their signals boosted.

Mr. Barton sees the role of the BBC's stations as comple-

mentary to that of commercial radio. "They cater for different appetites," he says. "Our speech content is higher, something like 70 per cent to 30 per cent music."

The BBC men are against any kind of advertising and they are also opposed to the idea of regional broadcasting financed from local sources, which was put forward in the Annan report on the future of broadcasting.

The BBC has issued a list of 45 more stations it wants to develop and is paring it down to a shorter priority list. Mr. Howard Newby, managing director of BBC radio, has spoken to about 300 MPs since March. They do not, he feels, fully understand the implications of allowing commercial radio to expand while the BBC's development plans are frozen.

A White Paper on the Annan report is due in January. Mr. Newby is preparing to face his advisory council to thrust out the question whether the BBC should be allowed to make for studio chaos and poorly produced programmes. Reception difficulties are recognized and there are long-term plans for a number of stations to have their signals boosted.

Mr. Barton sees the role of the BBC's stations as comple-

Easing Rent Act 'would not provide more lettings'

By Our Planning Reporter

The view that the decline in privately rented housing is due to restrictive legislation is disputed in a report published yesterday by a working group of law centres.

It is said that claims that the Rent Act, 1974, is mainly to blame for a lack of lettings are not supported by any reliable evidence. A relaxation of the law would not produce more lettings but would have the opposite effect.

The report adds that well-affected figures show that the decline of the private sector accelerated sharply after the removal of rent restrictions on recovery of possession by the Rent Act, 1955.

"Owners simply evicted their tenants and sold for other occupation, and they would

surely do the same again now. Simply taking the opportunity to realize their capital profits and get out of a market which they know is doomed in the long run."

The report, submitted in evidence to the Government's review of the rent Acts, is based on the experience of 25 law centres concerned with the enforcement of tenants' rights. The authors' dislike of landlords is clearly due to their preoccupation with exploitation, and so the report may not provide an objective view of the private sector as a whole.

Rent Act, 1975: Law Centres Working Group's submissions to the Department of the Environment. Review of the Rent Act, 1975: Law Centres Working Group, 12 Chancery Lane, London, NW1 0ED, 51s.

WEST EUROPE

Portuguese crowd boos the name of President Eanes in anti-communist demonstration

From Jose Shercliff
Lisbon, Nov 6

The name of Portugal's President, General Eanes, was booed by a crowd of several thousand during a street demonstration this weekend in Oporto.

During the anti-government demonstration, calling for a change to the Soviet threat, a bomb exploded under a car outside the city's army command headquarters. Scuffles between demonstrators and left-wing groups were reported as the crowd gathered in the city's main square.

The demonstrators marched to Army headquarters where they sang the national anthem and voiced their support of the local commander, Brigadier Feres Velloso, who is giving up his command.

The brigadier received the leaders of the demonstration, who included Senator Vera Lagoa, a well-known journalist. Senator Lagoa read a letter of protest being sent to President Eanes, complaining of the Portuguese national celebrations of the Russian revolution which already had government approval.

This was "an offensive to gain power", the letter said. The delegation expressed regret

at the departure from Oporto of Brigadier Velloso.

The Brigadier later addressed the demonstrators, saying that the letter "undoubtedly expressed the feelings of the majority of Portuguese". He promised that he would hand it to President Eanes.

The crowd dispersed with shouts of "Down with the Government" and "Down with Soares". As they dispersed they clashed with groups of youths shouting: "Death to fascism" and "Death to the left".

The slogans against President Eanes follow a series of indirect attacks on the President's activities. When he spoke before the Assembly of the Republic last month, issuing an ultimatum to the political parties to work together in the national interest, the reception was cool.

The leader of the Social Democrats, Senator Sa Carneiro said the President had said nothing new. The reactions of the Socialist Party Minister, Dr. Mario Soares, was that the "urge to find a directive platform for the measures necessary to put the country right must not be confused with the sharing of power and even less with a coalition government". He insisted that the Socialists must be dominant.

In an interview published in

the right-wing daily newspaper O Dia, Dr. Sousa Franco, of the Social Democratic Party, criticized President Eanes, saying: "He is just as responsible for the political crisis as the parties are, if not more so."

He accused the President of not displaying enough initiative in promoting dialogue between the parties. "While these attacks on the President are growing, political activity is also on the increase all over the country, with meetings and congresses of the five parliamentary parties."

The former Minister of Agriculture, Senator Lopes Cardoso, who is considered a dissident from the Socialist Party, has announced that the new group which he formed, called Brotherhood of Workers, may become a political party.

Another new group has just been formed in Oporto, calling itself Socialist Reflection and Action. It supports workers' participation in business and industry.

The Government is due to present documents to all the political parties in a parliament this week, making clear the points on which it considers it essential to reach agreement to overcome the economic and social crisis.

Socialists stand firm on union of the left

From Ian Murray

Paris, Nov 6

M. Francois Mitterrand, Socialist leader, today declared himself ready to meet his Communist partners in the Union of the Left "without conditions, without preamble and without delay" but he did it in such a way as to make it quite clear that he will in no way change his party's position.

He was speaking to Socialist members of parliament, which has been meeting this weekend to draw up the policies for the elections in March.

In his 90-minute speech he was most concerned by the unity of his own party which has been threatened in the past week by a statement from a left-wing group calling for a resumption of the dialogue with the Communists. "The only way to win is not to question yourself about what it is that you want but about what you want to do," he said.

It was wrong to make such concessions, as Ceres seemed prepared to do. The Socialist Party could not win its battle if it gave in to some of the accusations at others to it, whether they really were united. "When you speak of union," he said, "you must not be confused with stripes."

The Ceres' list of talking to the dialogue with the Communists again was only helping the Government. "You cannot defend two policies at the same time," he said. "You can only have one policy for the month to come."

"It is not possible in a difficult battle to be on the lookout to see if the comrade or the friend is in step. You cannot have a constant watch for harmony."

Mitterrand returned to the theme of "an historic compromise" which he mentioned in a speech last weekend as being a kind of government of fact. He pointed then to what he saw as the danger of the Communist Party being prepared to form some kind of union with the governing majority in order to obtain power. He said that would be a betrayal of the Communists.

Mitterrand considered the real debate centred on the sharing of the powers of the state and recalled the wish of the Communists to split up the Ministry of the Interior and to nationalize 729 new companies.

Youth killed in gang battle

Copenhagen, Nov 6.—A youth was killed and two others injured by shrapnel blasts in a clash early today between two Copenhagen motorcycle gangs.

Clashes between Copenhagen's youth gangs have been giving police trouble for several years, but this was a first clash involving fire-arms and the first killing.—AP.

Increase in serious crime is partly blamed on the amnesties granted by King Juan Carlos

Spain brings back night watchmen

From William Chislett
Madrid, Nov 6

Spanish police are so alarmed by the increase in crime since the death of General Franco that the Government decided at the weekend to bring back night-watchmen—phased out after the General's death—to help to combat the crime wave.

A royal decree signed by King Juan Carlos and published in the official State Bulletin yesterday stipulated that, as the traditional night watchmen will be back on duty within three months, and armed for the first time.

They will work in towns with a population of more than 100,000, in close conjunction with the police.

According to figures supplied to *The Times* by the Directorate General of Security there were a total of 59,234 robberies last year and 42,538 in the first six months of this year. If this rise continues at the present rate then by the end of 1977 robberies will have increased by 44 per cent.

The number of *robos* and *atracos*, robberies respectively without and with violence, have gone up most. But rapes, murders and assassinations with political motives are also on the increase.

In 1976 there were 287 rapes, 94 murders and 24 assassinations. In the first six

months of this year the figures were 198, 53 and 24.

The increase in crime is blamed mainly on the rise of unemployment and on the release of many criminals from prisons in the past two years under pardons and amnesties.

Figures released by the Ministry of Justice reveal that a total of 10,843 prisoners have been released since the death of General Franco. Under a pardon granted by King Juan Carlos on November 25, 1975, about 7,000 were released. 8,903 prisoners were released and later another 1,940. When General Franco died on November 20, 1975, there were 15,518 prisoners and in October 1977 there were 9,978.

The police now admit that it was an error to phase out the night watchmen who, with their long dark blue coat, peaked cap, heavy stick and a bunch of keys used to be a familiar sight at night. They came on duty at about 10.30 pm, when the doors of buildings and blocks of flats were locked. The only way to get in after this time, except for people who had the key to the main door, would be to climb hands and seemingly from nowhere a *sereno* would appear.

They were badly paid, overworked and had to live on the good will and charity of neighbours in the areas they covered. When they began to

be gradually phased out their duties were theoretically taken over by the police.

In fact municipal police in particular are understaffed and could not keep the same kind of watch on buildings.

The authorities estimate that about 7,000 watchmen are needed for the service to be effective. For example, a working class district outside Madrid, like Moratalaz, has only 21 watchmen at the moment to cope with a population of 113,617, an area of about 9,500 acres, whereas in the centre of Madrid, in the Sola area, there are about 60 night watchmen for 40 acres and a population of about 420,000.

For the right wing in the increase in crime which is similar to what happened in Portugal after the revolution, is symptomatic of the authorities' laxity.

Criminals are certainly becoming more ingenious in their crimes. In the last few days, for example, a Spanish truck of mine, demonstrators.

They returned at night to find their car stolen. Next morning they found it parked in the street with two theatre tickets pinned to the windscreen. The car was for taking the car for an emergency reason. That night, they went to the theatre and when they returned found their car virtually wiped clean.

Catalan leader seriously ill in hospital

From Our Correspondent
Madrid, Nov 6

Señor Josep Tarradellas, the President of the Generalitat, the recently restored Catalan autonomous Government, continued to be in a serious condition today in a Barcelona hospital where he is receiving treatment for lung and renal insufficiency. He is 78.

Señor Tarradellas signed a decree from his hospital bed last night nominating Señor Frederic Rahola, his delegate, as his successor (minister) of the Generalitat.

The decree signed by King Juan Carlos nominating Señor Tarradellas makes no mention of what would happen in the eventuality of his being unable to continue at the head of the generalitat. Señor Tarradellas returned last month after 38 years in exile.

Threats against Lufthansa taken seriously

From Our Own Correspondent
Bonn, Nov 6

Threats, apparently from West German terrorists, to blow up three Lufthansa airliners in revenge for the deaths in jail of three Baader-Meinhof leaders, are being taken seriously here. Letters to West German and French news agencies said that from November 15 one airliner would be blown up for each of the three terrorists who committed suicide in Stammheim in Stuttgart, on October 18.

The letters said the three had been murdered, although provisional reports on the post-mortem examination and the investigation by the justice authorities ruled out foul play. The messages hinted that one purpose was to frighten Lufthansa's business by frightening away passengers: "We will hit Helmut Schmidt's fascist-capitalist Government where it hurts most... everyone should know that if he boards a German aircraft from November 15 he will be flying with death."

The letters said the three had been murdered, although provisional reports on the post-mortem examination and the investigation by the justice authorities ruled out foul play. The messages hinted that one purpose was to frighten Lufthansa's business by frightening away passengers: "We will hit Helmut Schmidt's fascist-capitalist Government where it hurts most... everyone should know that if he boards a German aircraft from November 15 he will be flying with death."

Tremor nits Skopje

Skopje, Yugoslavia, Nov 6.—An earth tremor shook Skopje today, the strongest in a series of small tremors which have shaken Balkan countries in the past few days.

Señor Suárez opposed to anything less than full membership of EEC

From Michael Hornsby
Brussels, Nov 6

Spain would not accept anything less than immediate full membership of the EEC but would be "open to all possibilities" when it came to defining the transitional period after its entry, Señor Suárez, the Spanish Prime Minister, said here at the weekend. Spain applied in July to join the Community.

Speaking at a press conference after talks with Mr. Roy Jenkins, the President of the European Commission, and Mr. Tindemans, the Belgian Prime Minister, Señor Suárez was unequivocal in rejecting any kind of preparatory pre-membership period or alternative suggestions for "membership by stages".

Although he did not state it clearly, the Spanish objection appeared to be much the same as the voice by the Greeks when the Commission recommended a gradual approach in their case. Anything less than full membership is seen as an affront to national dignity which would be difficult to explain to domestic public opinion.

At the same time, Señor Suárez clearly accepted that the usual transitional period of four years after entry would probably need to be modified for Spain, as well as for Greece and Portugal, the third candi-

date. During his talks last week in Bonn with Herr Schmidt, the West German Chancellor, a transitional period of as long as 15 years was reported to have been discussed.

There was apparently no detailed discussion between Señor Suárez and Mr. Jenkins about the Commission's proposals—still to be considered by member states—for setting up a special fund to help the candidate countries to adapt their economies to the requirements of membership. The Commission's idea is that money should be disbursed even while negotiations for entry were being conducted.

Señor Suárez was told by Mr. Jenkins that the Commission's opinion on the implications of Spanish membership should be ready towards the end of 1978. The opinion is required under the Treaty of Rome before the Council of Ministers decides whether to open negotiations with applicant countries.

Some six to nine months generally elapse between the depositing of the opinion and the opening of negotiations, which in turn usually take about two years. A further year or so is usually required for ratification of the outcome by national parliaments. So even if all went smoothly, Spain would not expect to be a member of the

EEC before the end of 1982. This timetable does not allow for the fact that the Nine will be simultaneously negotiating entry terms with Portugal, which applied to join in March.

Negotiations with Greece, now in progress, are a year old, ought to be completed before those with Spain one though they have made little progress so far.

At his press conference, Señor Suárez said that he thought of 1977 as a year of transition. He said that the new members of the EEC, Greece and Portugal, would be expected to have made little progress so far.

At his press conference, Señor Suárez said that he thought of 1977 as a year of transition. He said that the new members of the EEC, Greece and Portugal, would be expected to have made little progress so far.

24-hour strike shuts 3,500 Italian cinemas

Rome, Nov 6.—Italy's still film industry is affected by a big fall in film arrivals today. Its 3,500 cinemas were closed by a 24-hour strike.

It was the second strike-cinema employees in less than a month. They are demanding renewed pay contracts and a revision of the distribution system.

In the past five years, arrivals have dropped from 18 million to 12 million, according to a downward trend of production.

Italian studios produced fewer films in the first half of 1977 than in the same period last year, when the number dropped from 400 to 340. The owners of small cinema were forced to close their doors, says the *Avvenimenti* magazine, which is against them.—Reuter.

OVERSEAS

India and Bangladesh put an end to dispute of 25 years on how to share the Ganges waters

From Richard Wigg
Delhi, Nov 6

India and Bangladesh have signed an agreement on the sharing of the waters of the Ganges during the next five years.

The matter has been in dispute for the past 25 years. It held up bringing the Farakka barrage into operation, and defied efforts by international experts to mediate between India and first East Pakistan and later Bangladesh.

The two countries have also agreed to undertake a joint study of ways to increase the flow of the Ganges, vital to the survival and prosperity of large populations on both sides of the frontier as well as of Calcutta harbour.

What has been achieved after months of difficult negotiations, and publicly voiced criticism on the Indian side, is an interim agreement which both sides pledge to carry out in good faith, while a joint rivers commission will embark during the next three years on drawing up proposals on the long-term problem.

The agreement binds both governments to implement schemes to solve the problem of increasing the flow of the waters "as speedily as possible" after receiving the commission's recommendations. Bangladesh favours the construction of storage reservoirs upstream of Farakka, while India proposed linking the Ganges with the Brahmaputra.

Either proposal would need substantial international financial assistance.

The agreement comes into force immediately after yesterday's signing in Dacca. Its first effect will be seen from January

1, the beginning of the five-month lean period in the flow of the Ganges over the Farakka barrage, which is situated on the Bihar-West Bengal frontier with Bangladesh.

The volume of water each side can draw has been fixed in the agreement in periods of 10 days until the end of May as the flow of the water declines and then begins to rise again in the pre-monsoon period. Each government will set up jointly nominated teams to inspect the flow daily at Farakka and two other points.

The Bangladesh Government had invited the heads of diplomatic missions in Dacca to witness the signing. Mr S. S. Bernal, the Indian Minister of Agriculture and Irrigation, said that the agreement had been reached because both countries had been willing to make sacrifices for each other's benefit.

Rear Admiral M. H. Khan, a member of the council of advisers of President Zia Ur Rahman of Bangladesh, said that millions of Bangladeshis hoped that a similar spirit of understanding would animate further efforts towards good neighbourliness.

India has seen the advantage of making concessions to President Zia's regime. After an initial three-year period there will be a review of the agreement's working every six months for the first two years.

The agreement can be extended.

Only last week Mr A. B. Vajpayee, the Indian Minister of External Affairs, had to answer sharp criticism from a parliamentary committee, voiced especially by West Bengal MPs.

The problem of the future of Calcutta port, which has to be flushed of the silt carried by the Hooghly River, was a very real one, he commented. This was why a long-term solution was stipulated in the agreement.

Recalling two previous agreements when Congress was in power, he emphasized that a figure of 40,000 cubic feet of water a second requested in the past for Calcutta harbour was a maximum negotiating demand. In 1975 the previous Government had agreed to limit its taking up to 16,000 cubic feet. That agreement was later discontinued.

When at the latest period the total flow amounted to 55,000 cubic feet, Bangladesh could not be asked to accept 15,000. Mr Vajpayee went on to say that the agreement at Farakka calculated on flows observed between 1948 and 1973.

India will also be allowed to use up to 200 cubic feet a second for reasonable use of the water available at Farakka calculated on flows observed between 1948 and 1973.

Any disputes unresolved by the inspection teams will be referred to a panel of an equal number of experts from each country. If they fail, the dispute will be submitted to the two governments. The agreement leaves room then for possible arbitration.

Prisoners of conscience



Israel: Taisir al-Aruri

By David Watts

Mr Taisir al-Aruri, a Ramallah-born Palestinian, studied in the Soviet Union after his graduation from Bir Zeit College north of Jerusalem.

Some time after his return home, while teaching at a college, he was arrested by the Israelis, who claimed that he had undergone military training in the Soviet Union. He was alleged to have been for three years for this alleged offence.

In April 1974, Mr Aruri was re-arrested and has been held ever since without charge or trial. He is detained under Article III of the Defence (Emergency) Regulations used by the military administration to rule the Occupied Territories.

The article empowers the Israeli military governor to detain any inhabitant of the territories whom he considers a "risk to the security of the State" without having to produce any evidence of involvement in punishable activities. In fact, the principal of Bir Zeit College has said that Mr Aruri did not even have the capability to handle a rifle.

The position of administrative detainees, such as Mr Aruri, is normally reviewed every six months. The appeals board, however, is only consultative, and the military governor is able to cite "security reasons" for repeated renewals of the detention order.

Mr Aruri's case was reviewed in July when he was ordered to remain in detention until next January, though there is, apparently, no evidence of his involvement in any violence.



Taisir al-Aruri: Studied in the Soviet Union.

Caracas floods

Caracas, Nov 6.—Torrential rain caused flooding and landslides here. Earlier a severe water shortage had led to rioting and deaths.

Lord Rothschild looks at the Civil Service

What do we want from the people who make government work?

Sir John Hunt, Secretary of the Cabinet, once said to me: "Victor, you are not a civil servant and never will be". That was a daunting judgement on a man who had just spent four years as a civil servant in the higher reaches of Whitehall; but at least it invests me with a certain aura of objectivity should I now join in the dispute between the Civil Service and its most recent critics.

Disparaging the bureaucracy, denouncing the top echelons of the Civil Service, today seems as inseparable from political discussion as throwing bottles is from professional football. The comparison must not, of course, be pushed too far. Recent criticisms of the Civil Service are far removed from the mindless, drunken hooliganism on and off the terraces. Moreover, the motives of those who criticised the Civil Service are lofty if not impeccable. They claim a right, a duty even, to criticise the public service, if only to maintain its standards.

Such an attack by the similarities between the two pastimes. Both engage in the passions of the partisan and the excited, always most aggressive when their own team is at a disadvantage; both cause damage and inflict personal wounds. But perhaps the clearest similarity is that both activities are borne of frustration: both require a solution based on careful study and enquiry.

The list of distinguished members or guests is now quite long. In the wake of Dick Cresswell and his friends, Lady Folger and Joe Haines have brought their experience and opinions to the front. Lord Cresswell-Hunt has intellectual weight. The emerging body of doctrine was summarised with vigour in Brian Sedgwick's "minority report" attached to the eleventh report of the Expenditure Committee of the House of Commons, published on September 15.

From time to time I too have done a little modest pin-sticking—though in my case acupuncture at the request of the Cabinet would be a more correct description. So I will share reports with more than usual interest. As the majority report is highly specific, I was disappointed to find that it did not consider the relevance of the Civil Service in relation to the other elements of our constitution. There is little discussion of how the Civil Service integrates and performs its role with other objectives.

What is the role of the Civil Service? It is a question which should be asked. You may say that such a discussion would be superfluous, for we all know what the Civil Service is there to do. It gathers and analyses the facts, provides the relevant information, marshals the arguments, sorts out the options, and puts them forward for ministerial decision.

That is precisely what the Civil Service does, however much its critics may dissent. But perhaps there is a question about how it does it. Is the traditional view now too simple? Almost everything else about the business of government has changed in the past 25 years. Should the Civil Service be immune? For a discussion of these themes we must turn to the heads arguments in Sedgwick's rejected minority report. And here comes the first criticism.

"Civil servants exist to serve elected politicians. That they do not do so well as they should is too well established to merit long and hard debate. Few that look to me like an attempt to avoid any debate at all. If the issue is important, it should not be brushed aside so lightly. On the contrary, there are long and hard debates."

It all depends, of course, on what we want our top civil servants to do. The author of the minority report is clear on this: civil servants exist to serve elected politicians, who in turn exist "to improve society by facilitating social change."

The surprise of the by-election was the strong vote for the candidate of the new party, the Australian Democrats, formed a few months ago by Mr Don Chipp, a rebel Liberal. The Democrats' candidate, Mr David Ross, received about 18 per cent of the vote. Mr Chipp commented: "Neither the Liberals nor Labour will now be able to govern without the preferences of the Australian Democrats. We have answered the cynics, we have arrived as a national political party."

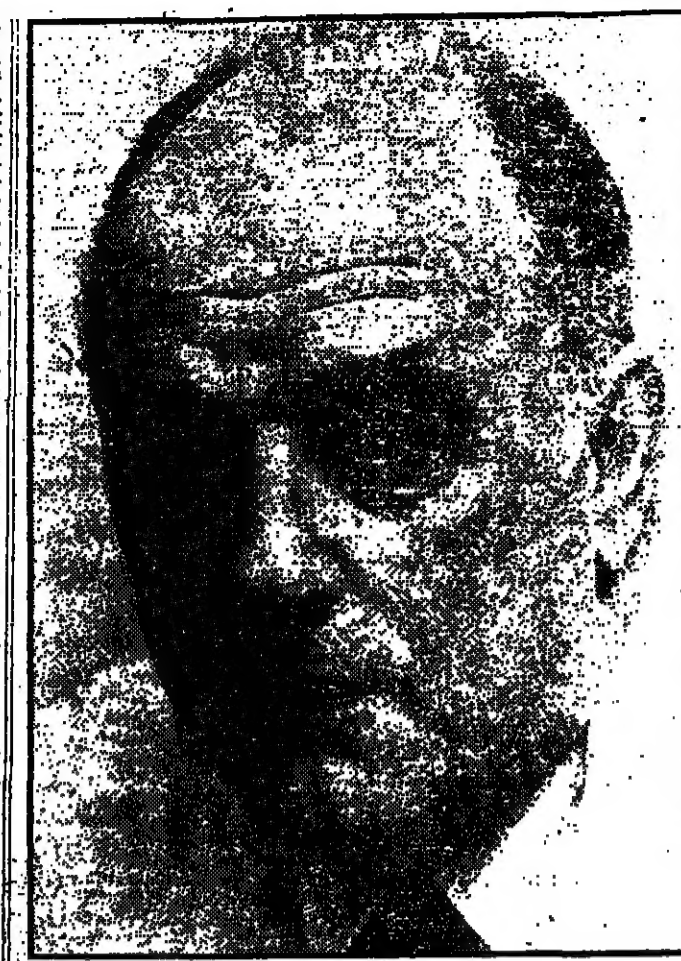
The difficulty in assessing the importance of this upset is that the Australian Democrats do not request their voters to direct their preferences to any particular party.

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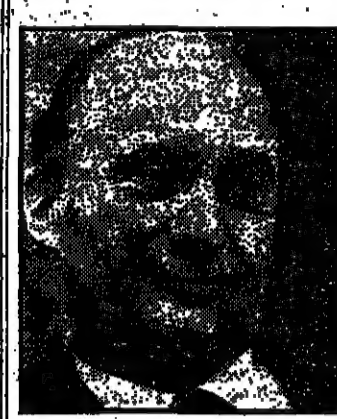
Ghanaian leader rules out party politics
Accra, Nov 6.—General Acheampong, the Ghanaian head of state, today ruled out the possibility that the country could not afford a return to party politics "simply to satisfy the whims and caprices of a few people who by some freak seem to think they are born and destined to rule."

He said the system of "union" government proposed by the Supreme Military Council would "give the individual the recognition due to him for what he is worth and not for the slogan he can shout."

People would be elected to political office because their fellow citizens had faith in them as people who over the years had served their communities, he said.—Agence France-Press.



Lord Rothschild



Sir John Hunt



Brian Sedgwick

abilities nowadays carried by elected politicians bears no less heavily on the civil servants who exist to serve them. They could be seen as a kind of "skills" class even the select committee members require of them. It is, for example, quite proper for civil servants to warn their ministers when some social change seems to be in the air, but it is not their role to decide whether or not to accept that change.

A more real danger is not that options are wilfully suppressed but that they are not identified—perhaps through lack of imagination, perhaps because the department concerned was taking too insular a view. Prising open the options was part of our job in the Think Tank and I do doubt that a long list of civil servants would be able to do it.

There is a need rigorously to weigh desirability against practicality. It is not enough to say that our society is now so complex and government decisions increasingly open to challenge.

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could in the available time, which was usually too short. I know this because I attended them. If options were foreclosed, it was usually because they were self-evidently impractical.

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Prince's busy day includes polo victory

Sydney, Nov 6.—Church, an athletics meeting, outdoor luncheon, a game of polo and a variety concert kept the Prince of Wales busy on the third day of his visit to Sydney.

Early in the day he attended services at St John's Cathedral before presenting the Queen's silver jubilee trophies at an athletics carnival.

After an informal outdoor luncheon he played in a polo match at Warwick Farm where he scored the winning goal in a seven-chukka match to lead his team to victory over a Queensland state side.

Tonight, escorted by Sir Roden Cutler, the Governor of New South Wales, he attended a variety concert at the Sydney Opera House and later met the cast. There was no sign of strain after his 14-hour day as he chatted backstage with the artists.

Afterwards, he attended a reception in the concert hall before returning to Government House for the night.

Tomorrow, the Prince has only one official engagement before flying to Hobart, the capital of Australia's southernmost state of Tasmania.—UPI.

Hongkong anger over amnesty for police

From Our Correspondent
Hongkong, Nov 6

The surprise amnesty issued by Sir Murray Maclehoese, the Governor of Hongkong, for all Hongkong policemen and civil servants who "may have been involved in corrupt practices before January 1 this year" has provoked angry reactions from the public, community leaders and the English-language press.

"Disgraceful, ridiculous and a surrender to pressure" were some of the terms used by public spokesmen today. Both Mr Brian Slevin, the Police Commissioner, and Mr John Cater, the chief of the Independent Commission against Corruption, have declined comment.

But a meeting of 2,000 policemen cheered the decision, recalling last week incidents when 100 men inside the commission's headquarters assaulted some of the staff. "We have won," the police shouted. "Police power."

The Governor's amnesty excludes persons against whom warrants have already been issued, persons who have been

interviewed by the commission and persons who are now living outside Hongkong. Taiwan, Britain, Australia and the United States. Exceptions will also be made if a pre-1977 offence "comes to light that is so heinous that it would be unthinkable not to prosecute."

Clearly, it is hoped that the controversial compromise will help to restore morale inside the police.

Hongkong soothsayers point out that, according to Chinese tradition, 1977 is an appropriate year for granting an amnesty. This is the Year of the Snake, for which the attributes are flexibility, persistence, endurance, perseverance and survival, dexterity in avoiding and foiling a strong enemy and "a fondness for the night-time" (which implies a talent for conspiracy).

Hongkong, Nov 6.—Sir Murray Maclehoese, the Governor of Hongkong, today said that the public would be watching them very carefully in future.

Addressing representatives of the Police Association, he called on all officers to work together as a "very large and united family which solves its problems internally."—Reuters.

Malaysian Premier's hard line puts coalition at risk

From Our Correspondent
Kuala Lumpur, Nov 6

The Malaysian Government will impose federal rule on the troubled state of Kelantan later this week, Daruk Hussaini, the Prime Minister, said today.

He made the announcement after a meeting of the supreme council of his United Malays National Organisation (UMNO), the dominant partner in the National Front coalition.

He said he had to take over the Kelantan state administration for the time being "in view of the security situation."

Daruk Hussaini's move, which had been expected for the past week, means a direct conflict with one of his coalition partners, the Pan Malayan Islamic Party (PMIP), which rules the state. Under federal rule a senior civil servant will administer the state on behalf of the Prime Minister.

Kelantan has been in a turmoil since October 15 when the state assembly, dominated by the PMIP, unseated the Chief Minister, Daruk Haji Mohamed Nasir. This action was opposed by UMNO, a junior partner in the state coalition.

The federal authorities have flown in at least 5,000 police to maintain order in Kelantan since demonstrations and rioting broke out last month.

Poll success brings hope to Australian Labour

From Douglas Aitken
Melbourne, Nov 6

Two events over the past few days have put the Australian Labour Party back in the running for December 1 election. At this stage it still seems unlikely that Labour can win but the results may be close and any more mishaps for the Liberal Party could prove disastrous.

The first event was the release of the October unemployment figures which show an increase of 42,123 to 370,335. Although this is a record for the prolonged Victorian power strike it still can only be bad for the Government. The total was close to the 6 per cent of the workforce.

Both main parties will try to interpret the statistics their own way. Confusion about the figures will prevent a clear assessment of whether the unemployment would have improved or worsened had it not been for the power strike.

The Government will blame the high figures on the unions and the Labour Party will blame the disruption caused by the strike; Labour is expected to argue that this is another example of the Government's inability to manage the economy. Either way, unemployment is still clearly the main issue.

The other event was the by-election yesterday in the Victorian electorate of Greensborough, just outside Melbourne. This is a seat in the Victorian state Parliament but is not a federal seat. It is a seat in the Victorian state Parliament but is not a federal seat.

The by-election was won by the Liberal candidate, Mr Don Chipp, a rebel Liberal. The Democrats' candidate, Mr David Ross, received about 18 per cent of the vote. Mr Chipp commented: "Neither the Liberals nor Labour will now be able to govern without the preferences of the Australian Democrats. We have answered the cynics, we have arrived as a national political party."

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Leading article, page 15

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Leading article, page 15

Magazine agrees on big payout to women staff
New York, Nov 6.—Reader's Digest magazine has agreed to pay about \$1.5m (\$850,000) to about 2,500 past and present women employees in settlement of a sex discrimination case.

Eight employees, who started legal proceedings four years ago, contended that the magazine discriminated in hiring, promotion, assignments, pay and other work conditions. The settlement was announced by the magazine's lawyers.

The 2,500 women will receive payments of between \$500 and \$3,000 in back pay. The 142 present women employees will also share \$200,000 in salary increases. The company agreed to give women more senior editorial jobs.—Reuters.

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SPORT

Football

Hardaker's view of three England managers

By Norman Fox

Football Correspondent

Joining the growing debate on the qualities and faults of the present candidates for the post of England manager, one naturally associates the names of the present with those of the past, particularly the three men who have managed England on a permanent basis since the war.

In a book *Hardaker's League*, written by Alan Hardaker in conjunction with Bryan Butler, and published today, these three are bluntly categorised in the manner one would expect of Mr. Hardaker, who has retired as secretary of the Football League yet seems undiminished under a new title as "chief executive".

Walter Winterbottom was both manager and director of coaching until 1963. "There are many good managers about who will readily pay tribute to Winterbottom's gifts for analysing the game and inspiring enthusiasm," Mr. Hardaker says. But he thought Mr. Winterbottom was not equipped to be England's team manager, especially as he had no experience of football at international level or management at any level.

"For all his theory and conviction," Walter Winterbottom was never quite a part of the earthy world of the professional footballer," he says. Though closer to the game's core than Mr. Winterbottom, the present caretaker manager, Ron Greenwood, broadly comes into the "intellectual" category.

Sir Alf Ramsey, according to Mr. Hardaker, "was a professional in charge of professionals and throughout his 11 years at Liverpool he was a professional in the winning the World Cup and football in England a disservice by formulating an effective rather

than entertaining pattern of play but blames the managers who copied his style. "There's such a poverty of original thinking in our game that every new idea is slavishly imitated."

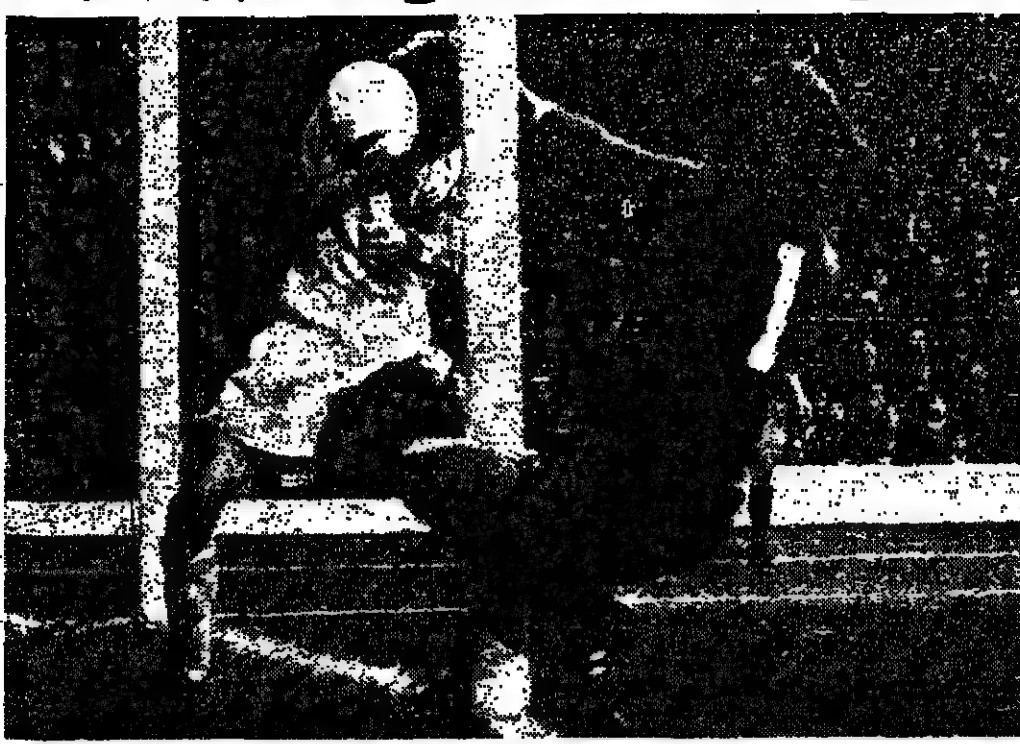
"Sir Alf, he says, "would not accept change". Loyalty to his players was his strength and in the end his weakness, leading to the players who won the World Cup being retained for too long. Strength of character, stubbornness and the ability to find success, the spite of a lack of tactical ideas, these are the qualities now seen in Brian Clough. To a degree, Bobby Robson and Lawrie McMenemy are of this type.

So to Don Revie comes nearest to having all the qualities and faults of the modern manager. He is a contrarian in many ways. He is a great family man, an engaging personality, acutely aware of his responsibilities and enormously hard working.

"But I also know him in a football sense, to be totally ruthless, selfish, devoted and prepared to cut corners to get his own way. It is the rare combination of all these qualities which has made him one of the game's outstanding managers. As secretary of the Football League, I often found Don Revie, as the manager of Leeds United, to be a pain in the neck."

The Football Association officials, who are now selecting Mr. Revie's successor, are probably in an agreement with Mr. Hardaker on that last point and are unlikely to entertain anyone they feel may be a similar contrarian.

Mr. Hardaker, according to Mr. Hardaker, "was a professional in charge of professionals and throughout his 11 years at Liverpool he was a professional in the winning the World Cup and football in England a disservice by formulating an effective rather



Andy Gray heads in the first of the two goals that destroyed Liverpool's home record.

seeking permission to approach managers who had not themselves made formal applications for the job. Liverpool's home record, which had stood since 1947, was broken by a goal from Gray.

They are now only three points ahead of West Bromwich Albion because of Liverpool's loss to Aston Villa. The top of the first division is no longer dominated by Liverpool and Manchester clubs. The Midlands voice is growing, thanks to the improvements at West Bromwich Albion and Coventry City.

Of the managers thought to be under scrutiny by the Football Association, two—Ron Greenwood and Mr. McMenemy—saw their teams lose on Saturday. After two of his Southampton team had been sent off against Blackburn Rovers, Mr. McMenemy accused an opposing player of incitement. As well as Osprey and Williams being sent off, four names were taken

Only mid-table form from the leaders

By Norman Fox

Brian Clough and Peter Taylor's Nottingham Forest team have made a disappointing start to the season. On Saturday they laboured against a much more expressive young Chelsea side and were losing 1-0 at Stamford Bridge.

They were losing 1-0 at Stamford Bridge, but if the result was to be a reflection of the quality of the two teams, it would be a success for the second division.

Mr. Clough's concern at Forest's inability to be seen at their best in the capital could be linked with a personal desire to be viewed more sympathetically by the Football Association officials at Lancaster Gate where memories die hard. But if the result is anything less than a victory, it is a reflection of the quality of the two teams, it would be a success for the second division.

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Dobson leads Everton's revival

By Geoffrey Green

Everton, with the best away record in the championship to date, took their unbeaten run to 15 league and cup games when they beat Derby County 1-0 at the Baseball Ground.

In an absorbing first half, goalkeepers and goalkeepers were organized and strong enough to last the marathon course of the season amongst the front runners.

Physically, undoubtedly, if square and ponderous on the turn at the rear, Everton nevertheless are on the way back and have the knack of the quick counter attack from the back. The defence, led by the captain, Keith Alexander, was a model of defensive organization.

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Lancaster now and then along the bank, and the referee, who was the man of the match, both a ball winner and a thoughtful distributor.

Yet it was Derby who pleased the senses. If they had possessed a finisher they would have won. But with George, the striker and McFarland, Todd and Middleton, the goalkeeper, all united, they were below strength and seemed self-conscious of the fact once they penetrated the opposition.

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into a three goal lead through Hughes, Daly and Ryan. Everton seemed a winner eight minutes from the end when King emerged from the back of a rock to head home a free kick by Ross from the right while the hosts were concentrating their attention on Latchford. It was the old three corner trick again.

Perhaps there was a reason for being caught napping. Following a quarter hour of darkness, the floodlights generator seized up and the stadium was plunged into darkness. The referee, who was the man of the match, both a ball winner and a thoughtful distributor.

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Tennis

Main attraction will start Wightman Cup

From Rex Bellamy

Tennis Correspondent

Palm Springs, Nov 6

The annual Wightman Cup tennis fixture between Britain and the United States, to be played from Tuesday to Saturday at Oakland, near San Francisco, will begin with its most attractive match: That between the Wimbledon champion and United States champion, Virginia Wade and Christine Evert.

Miss Evert has never lost a Wightman Cup singles match. She has won all three of her previous matches here. A possible reason for the decline Miss Evert suggested was the change in playing conditions. The round-robin series had been contested at night under floodlights, whereas the final was played at midday in a testing wind.

Whatever the reasons, Miss Evert played the bit part of a great deal better than Mrs King did. Miss Evert lost only two such points, whereas Mrs King was always vulnerable to a self-doubt when, having pushed open the door of opportunity, she faced the added task of stepping over the threshold.

She had seven break points and lost the lot—in addition to failure to respond successfully to the breakthrough. Mrs King's best shot, her backhand, became a weakness rather than a strength. Once the assurance had drained out of her she became technically difficult. She knew she had to attack. But she was not playing with enough confidence. So we were presented with the disappointing spectacle of the tournament's most one-sided match.

Miss Evert won 10 games out of 11, including two runs of five. She played remarkably well with the backhand, but she needed to but for much of the match she did not need to. Having won a battle of wills in the fourth game, she gave Mrs King a chance to get back into the match. But this final was lost rather than won.

Annual awards
The Women's Tennis Association, whose membership consists of the women playing tennis for a living, held their annual awards ceremony at Palm Springs, California, on Saturday evening. Their votes granted Britain two of the six honours in the year, and elected "player of the year" and Rex Bellamy of *The Times* won a new award for the "writer of the year".

bound from Cahill's pads, with his stick cleverly reversed.

Nothing went right with Buckinghamshire's short corner drill. Lally's break from the line were not enough to save the team. Cahill had to take a shot. Balwinder Saini then resorted to stick-swinging in the hope of converting the Hampshire defence with his craft, but a defender always stopped him at crucial moments.

The second half was a story of Buckinghamshire trying unsuccessfully to surround the barriers which Hampshire had set up. Jones, who replaced Bower in Hampshire's attack was the first to take a shot which Cahill saved. From the fifteenth minute of this period Buckinghamshire pushed up their work rate and held the opposition under considerable pressure. There soon began a sequence of short corners for Buckinghamshire to take. Cahill, who replaced Bower in Hampshire's attack was the first to take a shot which Cahill saved. From the fifteenth minute of this period Buckinghamshire pushed up their work rate and held the opposition under considerable pressure. There soon began a sequence of short corners for Buckinghamshire to take. Cahill, who replaced Bower in Hampshire's attack was the first to take a shot which Cahill saved. From the fifteenth minute of this period Buckinghamshire pushed up their work rate and held the opposition under considerable pressure. 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Rugby Union

By Richard S. Sreeter

This season's representative rugby programme gathers momentum on Wednesday, December 22, when the New Zealand in an international match at Toulouse next Friday and the English county championship semi-final round games begin at 2.15 p.m. at the Welsh Ground and Saturday.

The changes in pattern to the county championship this winter have been carefully considered by the English Rugby Union in consultation with the players' unions and it could be helpful to confirm how the sides for the semi-final round on November 26 will be found. Of Wednesday's Middlesex v Gloucestershire and Oxfordshire v Somerset, the latter is the divisional play-off at Blackheath.

The winners entertain either Gloucestershire or Oxfordshire at Twickenham on Saturday, 29, at 2.15 p.m. Road in the Southern play-off (Bristol Middlesex vs the winners of the Northern semi-final) the decision is staged at 2.15 p.m. on the ground, both Richmond and London Welsh have important fixtures on Saturday and it is felt there is a slim to the west of rugby which West London can assimilate.

The semi-final round match will take the Northern group winners to either North Midlands or Notts, Lincs and Leics. The winners of the Wales group play-off at Mooley Wednesday night. The eventual winners of this semi-final are the favourites to meet in the final which at the moment remains set for December 31. The problems attached to this date are not yet solved and it may be involved, although they failed to occur to the administrators who originally settled on it.

The match was supposed to happen on Saturday and to confirm the

By Peter West

Rugby Correspondent.

It is a rare pleasure these days for a leading English club, even Moseley, to be beaten in a match, and a win over a Welsh one as they achieved against Newport at The Reddings on Saturday. With *Clifford in sparkling fettle* behind their admirable back, and with *Swansea* in the cause, it is not to be wondered at that we are likely to see all seasons, they beat the Welsh Cup holders by a goal, two penalty goals, and four nines (28 nines to 0).

So Newport were beaten by Swansea, Abercrom and Cardiff before them and it was a satisfactory way for Moseley to confirm their position as the leading English club in the big league. Moseley scored three tries when, facing the wind in the second half, the last two of them in the closing stages of the match. The first, which, by then, their forwards were calling the shots against some frustrated and disorganized opposition.

But probably the key score was the one obtained by Swain at the end of the first period. Moseley were leading by just 10 points and the Welsh were not far off. Swain would be sufficient balance to carry forward against the elements.

But Cooper didn't picked up a low service off his toes, behind a line-out won by Ayres, and Swain, with a fine kick, sent the ball dead in the middle, and then swayed outside the full back, Loughton Davies, to score—from a set piece—a refreshingly old-fashioned try.

It was a pity that the try was converted, if there was little in the

Newport performance to enliven the two Welsh selectors present—though Squire, the British Lion and No 8, looked in buoyant form in the open. Clive Jones, who had been open to have noted that Swain, a Welsh B international several seasons ago, looked a sharp as ever.

John Currie, the one England selector present, should have felt his purpose. He regarded Gifford, making the most of some lax defence around the Newport fringes, produced with one former international. He had been a best scrum half performance he had seen this season.

With an eye to future events, Currie may have felt that yet another Newport match should be played by Jevons, the Moseley No. 8.

Newport, well beaten by Llanelli many years ago, had conceded 40 points in their last two games. On this occasion, they played a win, three-quarter, Wills, as late as 1925, and a draw, 10-10, with Gareth-Bryce, at Gwent, and his distribution was not equal to the rest.

The half back play lacked authority and imagination. The mid-field plays carried no conviction and the defence was deficient. Barrie Corless and Swain. Two powerful wings were sadly outwind and Maxwell took advantage of 4 to kick two early penalties.

Then Moseley scored their first try when Gifford, fed by Jevons, broke clear on the short side of the scrum, and Jevons, in the inside pass, forced his way to the

Paris, Nov 6.—New Zealand

seem to be giving several of their possible international side a run-out in Tuesday's match at Eygonne, Bredan Wilson, who returned yesterday after being injured in the first match at Brive, could play on Tuesday. Brive, who had no one available to kick the goal kicks, used the All Blacks tried three players with varied success. They obviously want to see if he can kick before naming the team for the first test at Bordeaux at Toulouse on Friday.

Bryan Williams has been playing with little success at full back in the last two matches. His injured leg meant he could not kick yesterday so he missed the match and Taylor played on the right. Taylor, who has been in the side and New Zealand's manager appears undecided about whom to play at full back and right wing at Brive.

After a dazzling 45-3 win at Brive a fortnight ago the All Blacks have been in a bit of a momentum. They won narrowly 12-10 at Lyon and 12-6 at Perpignan. But yesterday they played to win 34-12 at Agen. They played to win 34-12 at Agen. Agence France Press.

By Gordon Allan

Abrevorn came within a couple of paces of an improbable victory at Franklins Gardens on Saturday. Early in the second half the second half of Northampton had the Trigs blew his whistle for no-side and Northampton had won by two penalty goals, a dropped goal and a try. Northampton had a penalty goal and a try (13).

The odds were against Abrevorn. They had not won at Northampton for a long time. They fielded half a dozen reserves. Their three British Lions—Bevern, Martin and Clegg Williams—were injured. Bevern was injured playing yesterday. Martin is injured and Williams, who has had a knee operation, is probably out of the team.

On top of all this, they saddled themselves with a deficit of 10 points in the first 10 minutes. To make matters worse, a penalty move, Cannon ran on to the ball at a velocity appropriate to his name, and was tackled in the corner. Kent scored when Page and McGuckian explored the blonde side of a set scrummage. Carter kicked a penalty.

Abrevorn picked themselves up

and began to play more like Aberavon after that.

Northampton are beginning to find some form after a nondescript start to the season. They conceded 94 points in two matches last month but have not been beaten since. They looked poised between old and new, like Coventry.

The score at half-time was 11-4. Coslett, a former Llanelli stand-off half, having landed a good try from scrum, ran through to Shaddis. In the second-half, Wright dropped a goal (if the crossbar had been an inch higher, he would have scored) and Cartwright kicked a penalty for Northampton, and Rees kicked a penalty and converted a try by Hutchings for Aberavon.

Rees also missed two penalties, one being a very poor miss which otherwise his catching of the high ball on the run was spectacularly sure. There were two re-takes from scrum in the first half. Jim Owen, an Aberavon lock, came off, blood streaming from his head, and Johnson, the scrum-half, took a bad rib cage, making a rib cartilage.

NORTHAMPTON: P. Carter; K. Williams; J. Williams; G. McGinnell; T. Wright; J. Page; N. Fennell; W. Jones; R. Evans; B. Smith; Taylor; Cresswell; Latter; A. Jones; S. Russell.

ABERAVON: G. Ross; E. James, M. Jones; H. Jones; D. Jones; W. Coster; C. Shell; J. Richardson; W. Thomas; I. Jones; J. Jones; J. Hub.; D. Luckie; L. Berni; B. Davies. G.

Referee: Trips (London).

By Richard Streeton

Another display of total commitment took Yorkshire during the first half of the match as the Northern Juggo county championship title at Gostorth on Saturday.

A stern challenge from Northamptonshire was met by Yorkshire as they slowly turned back and finally crushed it the closing moments.

Six years have passed since Yorkshire threw the northern group into the air. Now, however, it is their job to win the expected win that west against Cheshire at Wilmslow.

Yorkshire won by a goal, three penalty goals a dropped goal and a try (12 points) against a goal and two dropped goals (12 points).

Though the game was competitive, their fluctuations and tension involved only eight minutes were left as Yorkshire moved ahead 12-0.

Old kids at more points during injury time.

[illegible]

By Re Henry

The Coventry rugby powerhouse had its riches crumbed on Saturday afternoon at the hands of the Welsh. London Welsh put the spanner in the works with two goals and two tries (20 pts) to two goals and one try (10 pts) and secured their first victory at Cowdroy Road since the 1953-54 season.

Although a big part was played by an Englishman, Bennett, at stand-off half, this was a success that owed much to the strength of the Welsh forwards. The ball was spun about to the left, indiscriminately, where others can manage only with the greatest of care. The Welsh use of resolve in the Coventry side, especially in the hard-running three-quarter line, was a factor in the straight forward simplicity that is simply not enough against more sophisticated opposition. Four times outside the 22, the Welsh were not there at home and three times they have lost.

London Welsh dominated the forward and loose play and bowring on a flank, scored two tries. Lewis and Bennett turned possession into points. Bennett, opposing half tracks and the wingers, Richards and Rees, both played well and scored a try each. Bennett, the leader of the familiar Welsh half marks of lust and fluid movements, intelligence, coordination, and composure.

Shows before and during the match did not prevent the full employment of the line. The Welsh were not to both teams. It was not until the 26th minute that London Welsh took the lead they were not to lose. The Welsh through and passed to Bowring,

[illegible]

County Champions

[illegible][illegible]

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EXTRA SPECIAL OLD SCOTCH WHISKY.

The Civil War heroes and villains in blue and red on a Madrid cinema screen



Picture from the past: Franco meets Hitler.

"In this film all the actors including millions of Spaniards interpret their own history: with the live performance of Pasiónaria... anything similar between what happens here and reality is not fantasy. Protagonist: ... Francisco Franco. Scene: Spain. Date: 1936-39."

At first sight this announcement displayed in bold letters outside a cinema in Madrid looks like an advertisement for a spot film on the Spanish Civil War. In fact it is the billboard of the first authorized film on the Civil War, a documentary called *Caudillo* after the late General Franco, the self-styled "Caudillo of Spain by the Grace of God".

Not surprisingly, the film is a hit, for the great majority of Spaniards belong to the "silent (post Civil War) generation" and have little idea of what really happened to the generation which took part in the war, the survivors of which are also flocking to see the film. For the first time Spaniards are able to examine that tragic past, previously only covered in the official propaganda of the Franco era.

Above the announcement is a huge cut-out figure of Franco in military uniform with his arm outstretched towards a Nazi plane. Another scene shows two women clasping each other while bombs explode around them. Inside the cinema there are cut-out figures of an anarchist, a Falangist and other wartime participants. On the walls there are old black-and-white photographs of the war.

The red and yellow Spanish national flag is draped in several places—the Republican flag, however, is not to be seen for it is still illegal on public buildings. A police jeep nightly patrols the area by the cinema, just off the Gran Vía, in case of attacks on the cinema by right-wing extremists.

Caudillo is the third documentary by Sr. Basilio Martín Patino. His first one *Campanas para después de una guerra* (Songs for after a war) used, as in *Caudillo*, newsreels, material and commentaries of the time to brilliantly recreate life after the Civil War. It was banned for six years—or to be more precise it was approved on June 3, 1971, by the board of censors and then not allowed to be shown until August, 1976, because it offended various regime figures who overruled the censors' ban. *Caudillo* also experienced some problems.

It is a strange experience to see the film, which uses a blue tint for the sequences of the Nationalists—the *azules* (blues) as they were called—and a red tint for the sequences of the Republicans—the *rojos* (reds) as they were nicknamed.

Brought up on official propaganda (the ban on publishing Professor Hugh Thomas's standard book on the Civil War was only lifted a year ago) Spaniards are seeing for the first time the protagonists of that period. It is an eerie sensation to walk out of the cinema afterwards and realize that many of the "heroes" and "villains" shown on the screen are alive and well in Spain like "La Pasiónaria", Dolores Ibarruri, the 82 years old president of the Spanish Communist Party, back in Madrid after 38 years' exile in Moscow.

In *Caudillo* the Spaniards are addressing Republicans and telling them that many appearances have been cast on her character by the Nationalists and that if they mean that she could not be prouder than if they fought against Franco, "La Pasiónaria" gave basically the same message at a rally in Madrid this month.

Historic film of the bombing of Guernica is shown in a dramatic scene interchanging the destruction of the ancient Basque town with haunting shots of the child-like eyes of Picasso, who immortalized the bombing by the Condor Legion. The same day that I saw the film the senate approved proposals: the return to Spain of the painting "Guernica" and the remains of Alfonso XIII, Sr. Manuel Azana and Sr. Niceto Alcalá (both presidents of the Republic, who like the king died in exile). It was as if history was catching up with itself.

One of the many moving scenes in the film which includes gruesome pictures of people shot shows Alfonso XIII leaving Spain in 1931 just before the second Republic was established. His grandson, Juan Carlos, is now one of the driving forces behind the transition from dictatorship to democracy and the two sides are reconciled after the October amnesty.

Sr. Rafael Alberti, the communist poet, also back in Madrid, is shown reading poems to troops. On the other side Sr. Raimundo Fernandez-Cuesta, now trying to get together an extreme right-wing Nationalist Alliance, is seen praising Fascism. The face of Sr. Jose Maria Gil Robles, the leader of the powerful conservative CEDA in the 1933 election, is seen on posters: Sr. Gil Robles was joint leader of the Christian Democrat alliance in the June general election and won a mere 1.4 per cent of the votes.

Spaniards are watching *Caudillo* calmly with few of the expected cheers and hisses for the "heroes" and "villains" while they search their consciences for the causes of this fratricidal confrontation.

William Chislett

Elizabeth Bower reports on the Soviet Union 60 years after the Revolution

When will Mother Russia wake up from her long sleep?

Sixty years after the Bolshevik Revolution of October, 1917, the modern Soviet state remains, albeit greatly changed, morally crippled by two endemic characteristics—fear and hypocrisy from both of which Vladimir Ilyich Lenin was personally free.

On the anniversary of that revolution, the men who stand on the saluting base above the ox-blood marble mausoleum on Red Square are at once the exultants and victims of Lenin's will.

Chief among them is Leonid Ilyich Brezhnev who has reached the pinnacle of his career at the age of 70. No leader since the revolution has had so much constitutional power concentrated in his person (even Sadia never bothered to make himself President) and Brezhnev's concern for constitutional legality, in Soviet though not, of course, Western eyes, is one of the hallmarks of his rule.

In the 10 years since the fifteenth anniversary President Brezhnev is at first a consensus figure, has emerged as an unchallenged leader and principal policy maker. His speeches and utterances are constantly cited, his picture is everywhere, in books, magazines and on the streets.

Beneath a vast portrait of him on Mayakovsky Square run the words: "The contemporary achievements of the Soviet people are the direct continuation of the October Revolution."

The new constitution, nurtured by President Brezhnev himself (though thought of by Khrushchev), and recently adopted by the Supreme Soviet is a far more truthful and less hypocritical document than the 1936 Stalin one. It is also more realistic.

It openly and textually legalizes the dominant role of the Communist Party, and the mechanics of its adoption, with nationwide discussion has been brilliantly handled from the Communist Party's point of view.

Ordinary Russians with whom I spoke of it were convinced that it had been formulated in the most democratic possible manner and most of them remained convinced that the elected Supreme Soviet is the highest organ of state: its real significance had entirely escaped them.

For President Brezhnev the constitution is one of a number of successes which surely even the most curmudgeonly of western critics must concede. Think back to the cool infliction on the world of the "Brezhnev doctrine" which justified the invasion of Czechoslovakia in 1968 and the dogged manner in which Soviet diplomacy finally pushed the western countries to negotiate at Helsinki.

The expansion of the Soviet navy, begun under Khrushchev, has continued at a fearsome rate and in terms of sheer strategic power the Soviet Union now matches and in some cases, outdistances, the United States. If things haven't gone all his way in Africa and the Middle East, they haven't particularly gone anyone else's way either.

These remarks sadly illustrate that the criteria by which the Soviet Union must still be judged are not the same as those of the twentieth century. Humanitarian progress in the Soviet Union consists in having many thousands or so of its citizens in concentration camps rather than millions under Stalin. Its frontiers are still closed. Very ordinary people are viciously persecuted for holding nonconformist views; priests and religious believers often suffer terrible repression, and those who wish to emigrate are hounded from their jobs.

Notwithstanding all this, there is change. On the psychological level it was well summed up by an acute western observer and Moscow resident who said: "What Brezhnev has done is to make the Communist Party respectable again." From the West's point of view this may be his most dangerous achievement.

On the strictly material level much has improved, not only in the past 10 years, but very noticeably in the past three. Moscow, once incredibly drab, is a much more cheerful place to look at and a great deal of money is being poured into rebuilding the city (no doubt much of it with an eye to the 1980 Olympics).

The mood of the ordinary people and of the officials with whom I came in contact were infinitely more relaxed. With one or two disagreeable exceptions, people were expressing their views without let or hindrance on a number of admittedly non-political subjects.

Not long ago everything was political from poetry to potty-training. In the big cities, the enormous numbers of foreigners have left their marks to say nothing of their rights and jeans now covering a large number of Soviet backside. Hopping around on trams and trolleybuses one is no longer conspicuous, nor did I provoke either fear or suspicion from passers-by of whom I asked the way, even in the far-flung outer suburbs of the city. The new mood was nicely expressed by a burly Russian woman I met in our hotel who said with simple spontaneity: "Won't it be nice when we can come to you as you can come to us." It will indeed.

In other ways, no, changes are creeping up on Soviet man. Better and more brightly clothed, though still badly housed (some flats are still communal even in new suburbs), not particularly better fed, but with subsidized food, the quality of life is slowly improving. Add this to very low rents and very cheap public transport and the picture is far from gloomy.

To many of the barely middle-aged and particularly those who lived through the war, the younger generation, just as in the West, seem both spoiled and pampered. To the young the revolution and the war are safely between the pages of their history books. They are not looking back.

And while the economy is still an overcentralized shambles there are gleams of common sense here and there. In agriculture, one example of this is government's attitude, nursed by Brezhnev himself, to the peasants' private plots. Not only do they

have a real contribution to make to the economy, he has repeatedly said, but state and collective farms are to give practical help by providing livestock. Could this be the seedbed of a future "green revolution"? Maybe and maybe not.

It is still in the field of economics that the Soviet leaders face their greatest internal challenge. The problems of supply, distribution and storage, the dilemma of over-manning in every sector of the economy to avoid unemployment, the colossal problems of infrastructure—these are enough to test the nerve and sinew of much younger men than those of the aging Politburo.

The economy is a nettlesome present Soviet leaders have not dared to grasp for fear of the ideological consequences. Though Brezhnev is something of an innovator in a cautious and unsensational way, the ideological dilemma is not one he shows any signs of being prepared to stare in the face. Indeed, the Kremlin's deep distrust of ideological change was very evident in Brezhnev's anniversary speech last week when he strongly criticized Eurocommunism.

There is a famous passage written by the great revolutionist, Rosa Luxemburg, not long after Lenin had dissolved the Constituent Assembly by force in January 1918, thus betraying centuries of hope. It is still painfully appropriate today.

"Without general elections, without unrestricted freedom of the press and assembly, without a free struggle of opinion, life dies out in every public institution, the very semblance of life in which only the bureaucracy remains as the new active element. Public life gradually

falls asleep, a few dozen party leaders of inexhaustible energy and boundless experience direct and rule."

When will Mother Russia awake from her long sleep? Dr Andrei Sakharov is optimistic of political evolution, but not yet, as he told me in his Moscow flat:

"I think that at present, the activity of independently minded people, those who are striving for open public discussion, for freedom to express their convictions, and for more information about the state of the country—all this activity is creating the preconditions for such an evolution in the future. In the first place, it is creating the preconditions for a transformation of public consciousness, which has been deformed by decades of terror and ideological pressure and

"I have no hope of seeing any real changes in the immediate future. In the broad historical perspective, I see that society is alive and is continuing to develop. In the past 40 years, it has indeed undergone a colossal transformation. It is obvious that in the long run, the human spirit will find within itself the strength to transform itself in the way that human dignity demands."

As the years roll by into the twenty-first century perhaps a new generation of Soviet leaders will be able to put a preceding Lenin into his proper place in the pages of the history books. Then they may take their courage in both hands, admit that Lenin was not infallible, and change the things that need to be changed. One can only hope—and pray.

The author, just back from Moscow, is a journalist and broadcaster who lived in Russia for many years.

Eric Heffer

Our future may depend on the Eurocommunists

Ex-President Ford's outburst against communism in Europe and the banning of Santiago Carrillo's projected speech in Moscow are not without significance. Both acts are a recognition that Eurocommunism is gaining ground.

It would seem that Mr Ford is following a theme earlier developed by Dr Henry Kissinger, who made it abundantly clear that the extent to which any European communist party follows Moscow's line "is important". He said: "Even if Portugal had followed the Italian model, we would still have been opposed."

This is not a surprising statement because if one accepts capitalism as the best of all economic systems, then even if it is to be phased out by democratic means, with the least damage to the system, it is still preferable. However, if during the discussion about European communism, false assumptions are made and false statements propagated, this could be very serious and dangerous consequences of confrontation between states could occur. This is what ex-President Ford's attitude could lead to.

The truth is that Eurocommunism as expressed, particularly by the Spanish, Italian and to a lesser degree by the French communist parties, is a new and important development in the communist world. It is a return to some extent to Marxian concepts which existed before the Russian October revolution.

The 60 years since the revolution have seen great changes in the communist world, since the end of the Second World War, the

growth of what the Italian Communist Party leader Palmiro Togliatti called, "Polycentrism". The central point of Eurocommunism is that at least certain communist parties should be free to develop their own ideological and actual relations of the Soviet Union.

As Santiago Carrillo, Party leader, puts it in his book: "Eurocommunism and the state" soon to be published by Lawrence and Wishart, parts of which have already been published in the *New Statesman*, and from which I quote: "For us, for the communist party of Spain, the culminating point in winning our independence was the occupation of Czechoslovakia in 1968... a bald statement was made—in the name of the dictatorship of the proletariat, which was on the verge of falling into the hands of capitalism—and with that statement as a starting point, stories were concocted that were light years away from the truth. This was the beginning of a new era, the era of the 'movement', and at last, after having rejected Soviet standpoints on a few important issues (in particular, the 1968 invasion of Dubcek's Czechoslovakia) they still remained within 'the movement' as defined by the overwhelming preponderance of the Soviet imperialistic state."

The most serious criticism which is being levelled by so-called leftists is that although the communist parties have undoubtedly distanced themselves from the Soviet Union, and genuinely proclaimed their belief in the democratic process, they have, nevertheless, continued to cling to the concept of "democratic centralism".

It is in organization. It is this which makes most socialists in Europe somewhat sceptical. As Professor Horst Ehmke, an executive member of the German Social Democratic Party, puts it: "For us, therefore, any party which is not a party of the people is basically less interesting than an answer to the question of to what extent the principle of 'democratic centralism' still dominates the internal structure of the parties with the result that—despite high membership figures in some cases—they continue to maintain cadres style organizations."

There is a fundamental question, because without a doubt, political bureaucratic concepts spring from an organizational basis. The first great debate in the Russian Social-Democratic movement, which organizationally split it into Bolsheviks and Mensheviks, was over the question of democratic centralism. Trotsky was originally opposed to the Leninist concept, although later, he fully accepted it.

He, like Rosa Luxemburg at a later stage, was correct to challenge "democratic centralism" because he felt this would lead to greater centralism and little democracy. However, although one has a right to be sceptical, it would be politically unwise not to recognize the importance of recent developments within certain European communist parties. They could mean that at last, Europe could democratically evolve as originally envisaged by Marx and Engels into a socialist society.

For democratic socialists, particularly in Italy and France, these developments have great significance, as in these two countries it would be impossible to have left-wing governments without communist participation.

In Britain the situation is quite different. The communist party here, while having some strength in the unions, with CP members on the General Council of the TUC, in electoral terms is insignificant. Overall, therefore, a new situation has developed in the European socialist movement. On the one hand, the old social-democratic policies have revealed their limitations and it is obvious that socialist movements beyond merely administering the capitalist system and begin to fundamentally change it. On the other, the Eurocommunist parties have now accepted that democracy is absolutely essential to the creation of a socialist society. They have painfully learned from the experiences of the Soviet Union and the East European communist states, that without democracy and freedom, there cannot be genuine socialism.

Because of these new developments, I personally agree with Carrillo, although retaining a healthy scepticism, that "there is no reason for not heading the split of 1920 and arriving at a convergence on the basis of scientific socialism and democracy". This can only be done, however, on the basis of common objectives and common policies, freely arrived at. For example, Carrillo says his party are "agreed on the need to advance to socialism with democracy, a multiparty system, parliaments and representative institutions. The future of sovereignty of the people regu-

larly exercised through universal suffrage, trade unions independent of the state and of the parties, freedom for expression, human rights, religious freedom, freedom for cultural, scientific and artistic research and the development of the broadest forms of popular participation at all levels and in all branches of social activity."

This declaration is quite different to that advocated in Labour's programme 276 and overwhelmingly accepted by Labour's annual conference. There is obviously a basis for discussions between the Eurocommunist and the socialist movements. Such discussions could not take place or be contemplated if the Euro-Ps had not declared their independence from Moscow.

It is now essential for democratic socialists to discover just how genuine this independence is and to what extent as communist parties have jettisoned their previous intellectual baggage and old organizational concepts. It was because the NEC of the Labour Party felt that information discussions would be useful that the three Eurocommunist parties were invited to send observers to Labour's annual conference.

It is clear that there is scope for further exchanges of views and it is not inconceivable that out of such discussions, and a possible schism between the Eurocommunist and Moscow, a new regenerated European Democratic Socialist movement could emerge. The future of a civilized Europe may well depend on it.

The author is Labour MP for Liverpool, Walton. © Times Newspapers Ltd, 1977

readers are likely to need an exhaustive discussion of the Queen's constitutional role in Antigua or the Virgin Islands. So we had actually to write about the mechanics of the tour itself. Since no effort is spared to ensure that nothing unexpected happens, it can be hard work.

My favourite of the stories that emerged was the shark scare. When the royal yacht arrived in the Virgin Islands, a member of the royal party let slip that, during a stop for bathing on the way from Nassau, a shark had been spotted close to the beach where the Queen was to swim, and that, on learning about it, the bathers beat a hasty retreat.

"Queen fights off shark" had the makings of a good yarn, so we sought confirmation from Ronald Allison, the Queen's press secretary. His response was at first wary. He was unsure how much we knew and he did not want to give anything away. Finally, after some confusion about whether the Queen went into the water before or after the scare, he confirmed part of it, leaving us to pick up the rest from someone else who had been there.

This dislike of any reporting about the Queen which does not emanate from an official source, and which has not been duly authorized and cleared, is an odd characteristic of Palace public relations. Moreover, as the tour progressed, and the surviving members of the full-time press corps became an

even closer knit group it was hard to regard Allison as a sort of prefect whose good favouritism is wide to carry.

It is as though, through his association with the Palace, he has taken on some aspects of royalty and command. A hint from him or from senior officials of the Royal Household, that a particular report has been poorly received, brings with it unspoken hints of terrible monarchical revenge.

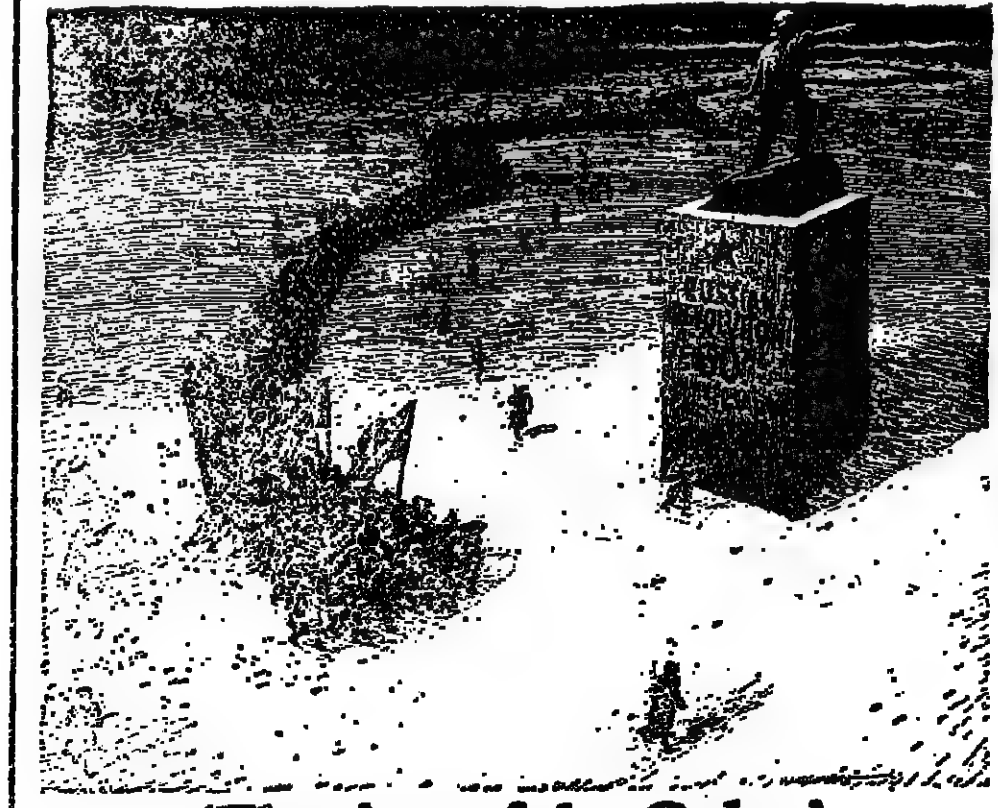
The displeasure need not be transmitted directly to the offender. Word filters through. In the way word does, that he is upset. Worse still, rumours spread that the member of the Royal Household thought to have been responsible for an unauthorized leak, has been reprimanded, or even worse, what awful consequences? As the Queen ended her tour by flying from Barbados in Concorde, one reporter at least felt lucky to have survived.

People who know Montego Bay, Jamaica, will have been surprised by my column last week, when I appeared to say that there were casinos there, not to mention bar girls imported from Bangkok. In fact those attractions are to be found in the Maldive Islands, all other reference to which had been accidentally excluded from the article. As it appeared, the column was a monstrous slur on the bar girls of Montego Bay, who are perfectly equipped to meet demands without overseas assistance.

Monty Python's Floating Circus". It would indeed be an unfair libel, but only just. To prove my impartiality I must confess that the group of reporters who followed the Queen from one torrid little island to another had their Monty Python aspects. In Canada we had it fairly easy, in that there was a genuinely interesting story to be written about the Queen and her role in deterring Quebec separatism.

In the Caribbean we were driven back on our own resources of investigation and inventiveness. Few British

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LEAPMAN IN AMERICA

The most touching and in some ways the most revealing moment during the royal tour of the Caribbean came during the one-day stop in Antigua in the British Virgin Islands. One of the Queen's detectives sidled over to the court correspondent of the Press Association. "Do you think," he asked her, "do you think you could do us all a favour?"

"What was it?" "Postcards," he replied. "A lot of us want postcards. And stamps. You see, we're always so busy with the Queen and Prince Philip when they visit these places that we never have time to go and do any shopping on our own. And our families expect postcards."

A total of 30 postcards was agreed, later increased to 35, but even that was not enough. When the party reached Barbados the detective was complaining that the ladies in waiting had snappers up the original consignment, and he put in an order for some more.

I find the image this conjures up rather alarming. There are our sovereign and her husband and their closest confidants shut away in a luxurious, well-ventilated, air-conditioned, and the doors are opened for a few strictly formal excursions, with no time to shop for souvenirs. Then off again to the next stop.

It is very odd, when you think about it, the perception of the Queen, who is a monarch, that they reach the palace: the Queen on the high seas, shadowed by a vigilant

destroyer bristling with missiles. During this trip, she spent more time travelling between the places she is visiting than she did at the places themselves. I should have loved to be able to see some of the picnics they stopped for, barbeques on deserted islands, tablecloths flapping in the breeze, like a television advertisement for a soft drink or vermouth.

In some senses the voyage resembled a travelling medicine show in the old-time American West. It arrived, put on a flamboyant spectacle for a while and departed, leaving the people neither better nor worse off than they were. It did nothing to solve their real ills, but made them feel a little better simply by assuring them that they were for a day or two on the map.

The royal yacht is itself due for its silver jubilee next year. Launched in 1953, it now seems to be feeling its age. At the start of this trip the air conditioning broke down temporarily. Then in Antigua the mechanism for lowering the royal barge became stuck.

In Nassau, the solemn departure of the Queen, who was being hailed by a sailor hanging inelegantly over the side, fixing something else which had jammed. The sailors who man the boat, and who take great pride in keeping it ship and span and in working over, were mortally offended when they reported the incident, and would be angered further if I dubbed the ship



"Monty Python's Floating Circus". It would indeed be an unfair libel, but only just. To prove my impartiality I must confess that the group of reporters who followed the Queen from one torrid little island to another had their Monty Python aspects. In Canada we had it fairly easy, in that there was a genuinely interesting story to be written about the Queen and her role in deterring Quebec separatism.

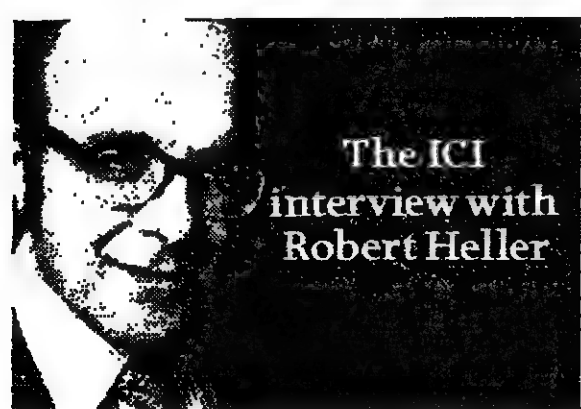
In the Caribbean we were driven back on our own resources of investigation and inventiveness. Few British



"Investment has helped ICI to become one of Europe's top chemical companies."

'By manufacturing goods on the Continent, ICI actually increases exports from Britain.'

Frank Rots, ICI Holland



The ICI
interview with
Robert Heller

How - if at all - does investment by British companies in manufacturing plant overseas affect Britain's hard-pressed economy?

To discover whether expansion abroad is proving worthwhile for ICI, Robert Heller, Editor of 'Management Today', travelled to the company's biggest Continental European site - the £150 million Rozenburg complex in Holland. He found Frank Rots, Works Manager and Technical Director of ICI Holland, ready with some surprising answers.

Heller: Does ICI really need to have a vast complex like Rozenburg on the continent of Europe?

Rots: Yes. There's a big market on the continent, and the best way to gain a strong foothold in an export market is by investing in it.

Heller: Nevertheless, many trade union people would argue that a plant built in Holland is a plant lost to the UK. Is that true?

Rots: Investment on the Continent is additional to investment in the UK - not instead of it. The fact that ICI has built a plant in Rozenburg strengthens ICI as a whole, makes it better able to compete with its continental rivals. And it creates demand for raw materials which are made in Britain. About two thirds of the chemicals we process here are manufactured at ICI plants in



In the Perspex inspection bay: "The quality of our products in many cases has the edge over our rivals."

Britain and brought here across the North Sea. In fact, around 20,000 UK jobs in ICI depend on exports to Europe.

Heller: Nevertheless, why can't the products you make be exported direct from Britain to this market?

Rots: Some products just can't be exported because of the cost of transport. But, making a product here can boost exports too. When polythene was made locally in Rozenburg, starting in 1966, sales increased steeply to the entire EEC, more than doubling in four years. This success rubs off on other products too, you know - ICI exports to the EEC went up by £100 million to £293 million in the last year alone.

Heller: Has the image of ICI changed amongst Dutch people since the company became a big investor and producer here?

Rots: It was seen as a commitment from ICI towards them, yes. We are now seen by our competitors as a truly European company. And a recent opinion survey showed that 85% of people who might use a product from ICI knew the company.

Heller: What would you say if I asked you to name ICI's home market? Britain?

Rots: I wouldn't think in those terms. Britain is a very small market compared to the opportunities outside the UK. Our market is the world.



The raw materials of ICI's European success.

Heller: Can ICI stand up to the competition of big German and American companies?

Rots: The competition is tough, and it's likely to get more intense; the economic climate will get tougher over the next decade. But we will succeed, because investment has helped ICI to become one of the top three or four European chemical companies, and because the quality of our products in many cases has the edge over our rivals. ICI is every bit as good as its European competitors.

Ideas in action



July 15/1977

SOCIAL NEWS

Queen Elizabeth the Queen Mother will dine with the Duchess of Kent at the Royal Windsor Palace on November 8 and will visit the Royal Windsor Palace on November 9.

Princess Margaret will spend the night at the Royal Windsor Palace on November 8 and will visit the Royal Windsor Palace on November 9.

The Duke of Gloucester will spend the night at the Royal Windsor Palace on November 8 and will visit the Royal Windsor Palace on November 9.

The Duke of Kent will spend the night at the Royal Windsor Palace on November 8 and will visit the Royal Windsor Palace on November 9.

The Duke of York will spend the night at the Royal Windsor Palace on November 8 and will visit the Royal Windsor Palace on November 9.

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The Duke of Somerset will spend the night at the Royal Windsor Palace on November 8 and will visit the Royal Windsor Palace on November 9.

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Forthcoming marriages

Mr A. O. Colburn and Miss J. A. Smith-Wood. The engagement is announced.

Mr and Mrs G. H. Colburn of Crickley, Glos., and Jacqueline, only daughter of Mr and Mrs G. H. Colburn of Sevenhampton, Wilt., are announced.

Mr M. J. Davies and Miss N. E. McCafferty. The engagement is announced.

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Kalkhoru Sorabji (left) at his home with Yonty Solomon. Photograph by Jeremy Grayson for "Radio Times".

Champion of a 'lost' composer

By Martin Ruckley

Music Reporter

Kalkhoru Sorabji, the composer who has shut himself away from the world since the 1930s, has given his personal blessing to Yonty Solomon, the South African-born pianist, who has been devoting himself to the task of introducing Sorabji's music to modern audiences.

Sorabji, now aged 85, has been living almost as a recluse at Cortes, Dorset, refusing to accept any of his works to be played. Only last year did he finally allow Mr Solomon to perform some of his music.

Last month, at the first time when Mr Solomon visited Cortes, he was nervous about his first encounter with the composer, but in the event they got on splendidly. Mr Solomon said he had played some of the com-

poser's works for him and Sorabji had liked it very much.

Mr Solomon started playing Sorabji's works in public at the end of last year. So far the critical reception for the music has been mixed, partly perhaps because some people in the music world are not convinced that the idea of the legendary mystic, locked away in seclusion yet still composing furiously, necessarily has anything to do with great music.

However, Mr Solomon is convinced that the music, despite faults, has great merit. He said: "The reception for the performance has been tremendous. After playing the third sonata, I was recalled 12 times."

Tonight he is giving a broadcast of Sorabji's music on BBC Radio 3, including the oriental nocturnes, *Le Jardin Perdu* and *In the Bathhouse*. Later this month he will be performing some more recent pieces, including the unpublished work, *Gullistan*.

Sorabji, who was born in India, although he was a Bombay architect and his mother a Spanish/Sicilian opera singer, wrote

such "subtropical" pieces in his earlier years. His later works are more austere.

Other pianists have sought permission to play Sorabji's music, but without success. Thus Mr Solomon has to convince alone the work of restoring the composer's reputation.

His plans include the performance of some of Sorabji's songs, a record of piano pieces, and the much delayed performance of *Opus Clavibambulatorum*, which is listed in *The Guinness Book of Records* as the longest continuous piece of piano music ever written.

The work is in 12 movements, in 12 different keys, and is a record of 12 hours. Although Mr Solomon has learned the music, he is unwilling to attempt it without the work without a break; he seems much less concerned about the monumental scale of playing it so long.

He has expended much time and effort on Sorabji's music, but he is sure it is all worth while. "It is a fantastic pleasure to introduce the music to people. To be part of a legend, it really is a reward."

Dinners

Company of Weavers, Fullers and Shearers

The Master, Wardens and Court of Assistants of the Company of Weavers, Fullers and Shearers held their feast at Tuckers Hall, Exeter, on Saturday. The Master, Mr E. R. Bruford-Davies, presided.

Kingswood Association

Old Boys of Kingswood School and their guests met at Fort's Restaurant, Bath, on Saturday for their annual dinner and to celebrate the centenary of rugby football at the school. The speakers were Mr David Swarbrick, Mr L. J. Campbell, Headmaster of Kingswood School, and Mr Andrew Sharpley, senior prefect, and Mr G. Varnham, President of the Kingswood Association.

Latest appointments

Lord Plowden to be a member of the Top Salaries Review Body. The speaker was Mr David Swarbrick, Mr L. J. Campbell, Headmaster of Kingswood School, and Mr Andrew Sharpley, senior prefect, and Mr G. Varnham, President of the Kingswood Association.

Church news

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OBITUARY

M RENÉ GOSCINNY

Creator of Asterix the Gaul

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Asterix, who first saw the light of day in book form in 1959, quickly captured not only the French imagination but an international audience. From the first appearance of *Asterix le Gaulois* in that year, the exploits of the Gaul whose village has never surrendered and never will surrender to the Romans, were translated into 15 languages, and besides running to as many books of cartoons, also took the form of comic strips in French and foreign magazines like *Popeye* and his spinach, *Asterix*, his magic potion and the tortuous jokes put into his mouth by

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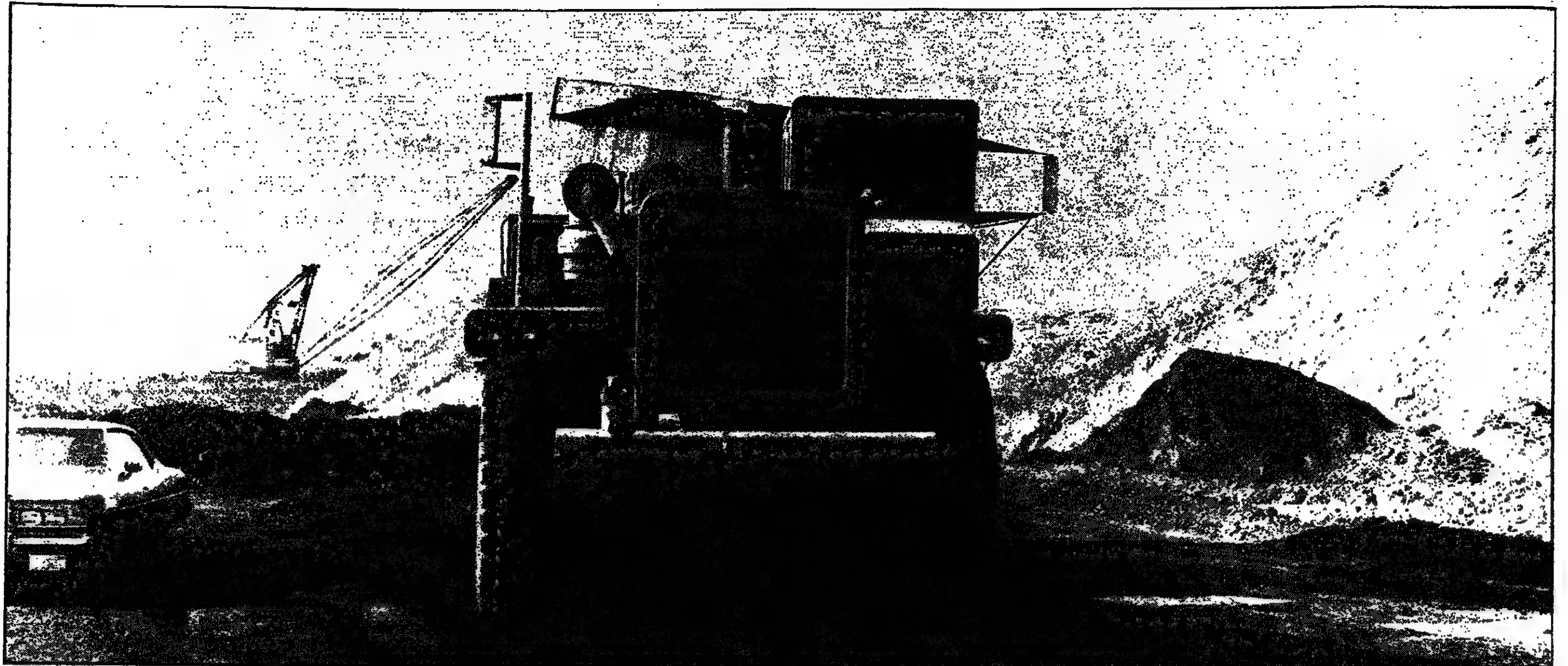
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West German investment overseas



The giant begins to put down roots abroad

by Peter Norman

Herr Peter von Siemens, supervisory board chairman of Siemens electrical group, once described West Germany's position in the economic world as that of an exporting giant but an investing dwarf.

In the 1950s and 1960s the years of the Wirtschaftswunder, the undervalued Deutsche mark helped to boost West Germany's exports to about 25 per cent of gross national product.

At the same time investment capital flowed into West Germany on a large scale as foreign companies bought up West German firms or started subsidiaries there. Since 1974, the investment tide has been flowing the other way but how strongly it is difficult to say because of gaps in official statistics.

At intervals of six months the economics ministry in Bonn publishes figures on private direct investment by West Germans abroad and by foreigners in West Germany.

The latest tables, which include statistics for the first six months of this year, suggest surprisingly that West German direct investment abroad is now DM49,600m and exceeds the figure for foreign investment in West Germany, which is put at DM47,000m.

The ministry figures, however, underestimate grossly foreign investment in West Germany and probably underestimate West German direct investments abroad.

Both sets of figures fail to monitor investments financed from the profits of subsidiary companies in the country of their operation. More seriously, the figures for foreign investment in West Germany ignore the vast foreign involvement in the West German economy before 1961, in contrast to those for investment abroad which apply from 1951.

But within their limitations the ministry figures do give an indication of recent trends and there West Germany has clearly emerged as a net exporter of investment capital.

The rise in West German investment abroad has hardly reached booming proportions. The net increase in private direct investment outside West Germany was DM5,057m last year and so fell below the DM5,227m total for 1975.

In the first half of this year, West German investors put about DM2,600m into their non-German operations, compared with DM2,800m in the first six months of 1976.

Those fluctuations mostly reflect the vicissitudes of the economic world. Similarly, the ups and downs of the West German economy show through in the changing pattern of net foreign investment in West Germany—from DM2,528m in 1975 to DM3,064m in 1976 and down to about DM1,500m worth in the first six months of this year.

The United States has been the most favoured country for West German foreign investment. Above: Herr Toni Schmücker, Volkswagen's chief executive, autographs a toy rabbit after agreeing to set up a plant for producing Rabbit cars in Pennsylvania. Top: a Euclid truck; the company has been acquired by Daimler.

The chances are, however, that West German investment abroad will rise more strongly over the rest of the decade. This year there has been a seemingly unending flow of announcements from West German companies, large and small, of plans to establish or expand themselves abroad.

Compared with other developed industrial countries, West Germany is a late beginner in international investment.

Memories of postwar expropriations took a long time to fade away. Post war reconstruction at home was obviously a higher priority than foreign investment and the artificially low valuation of the mark in the 1950s was a further disincentive to direct investment abroad.

There is a tendency in West Germany to regard the present wave of investment abroad as something out of the ordinary. Instead, given the strength of the economy and the national currency, it should be considered normal, if not belated.

The strong appreciation of the mark since its revaluation in 1969 and its float in 1973 has played an important part in turning West Germany back into an exporter of investment capital.

But while the volume of investment abroad has increased, the reasons given by industry and commerce are much the same as they were in the 1950s and 1960s.

For the industrial investment abroad does not so much represent a flight of capital from a country, where labour is now more expensive than in the United States and twice the cost of labour in Britain or Japan, as a means of safeguarding markets.

Studies by independent economic research institutes, such as the IFO institute in Munich, have found that cheap labour abroad is rarely a reason for West German foreign investment, despite the high cost of domestic labour.

IFO concedes that cost may influence a company to set up abroad, but the reason is more likely to be to get nearer to a market and be able to respond more quickly to its changing demands, or a fear of exclusion from a market because of import restrictions.

Siemens is getting involved in heavy electricals in partnership with Allis Chalmers and is buying electronics companies in California. Daimler has acquired the Euclid heavy truck company and may make further acquisitions in commercial vehicle manufacturing in the United States.

Since the dollar declined in value against the mark, the United States has become a place of ideal investment for West German capital. For the entrepreneur it offers a vast market and highly qualified labour that is more mobile and more easily dismissed than that in West Germany, and usually a higher return on capital.

Its political stability and higher yields have been attracting capital from more and more non-entrepreneurial investors. It is estimated that West German private investors have invested about DM 250m in property and land in the United States over the past 12 months.

Another feature of West German foreign investment has been its concentration in countries such as Brazil or Spain, which count in the West German statistics as developing nations, but which are catching up quickly, if somewhat erratically, with the developed world.

But West German investment in those countries where it is most needed, in the poorest countries of the developing world is low and is likely to remain so.

Labour may be cheap, but poor productivity, inadequate basic services, clumsy bureaucracies and a lack of purchasing power among their peoples puts off investors nurtured in a free market economy.

A sudden fall in exports pushed West Germany into its worst postwar recession in 1975. That increased the West German businessman's awareness that he lives in an uncertain world.

The figures of the Bonn economics ministry, uncomprehensive as they are, show that the sum of West German direct foreign investments by 1975 amounted to only 19 per cent of its export total in that year, while for Britain the comparable proportion was 84 per cent and for the United States 124 per cent. West German investors abroad still have some ground to make up.

The author is European Economics Correspondent, The Times.

Investment overseas (1952-June 1977)		Investment overseas (Jan-June 1977)	
World total	DM49,620m	World total	DM2,572m
United States	DM6,114m	United States	DM778m
Belgium/Luxembourg	DM4,976m	Belgium/Luxembourg	DM279m
France	DM4,813m	France	DM138m
Switzerland	DM3,747m	Switzerland	DM116m
Canada	DM3,408m	Canada	DM40m
The Netherlands	DM3,205m	The Netherlands	DM31m
Spain	DM2,880m		
United Kingdom	DM2,103m		
Italy	DM1,680m		
Austria	DM1,635m		

Source: Bonn Economics Ministry.

Source: Bonn Economics Ministry.

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مركزا من دبي

US has the right formula

by Peter Norman

West Germany's industrial managers are not normally given to public bursts of enthusiasm. They are usually as sound and sober as their products, which probably helps to explain their country's continuing economic success.

Ask any top executive in the chemical industry about the North American market and the chances are that his eyes will light up.

Herr Kurt Lais, deputy chairman of the managing board of Hoechst, thinks that the United States is the chemical industry's super-market. Professor Matthias Seifelder, chief executive of BASF, has described the opportunities there as fascinating, while Professor Herbert Grunewald, chief executive of Bayer, said in New York recently: "We simply cannot afford not to be here."

The three big German chemical groups started in piece of the very large pie in the early 1950s, the exception to prove the rule that German companies started late in investing abroad after the Second World War.

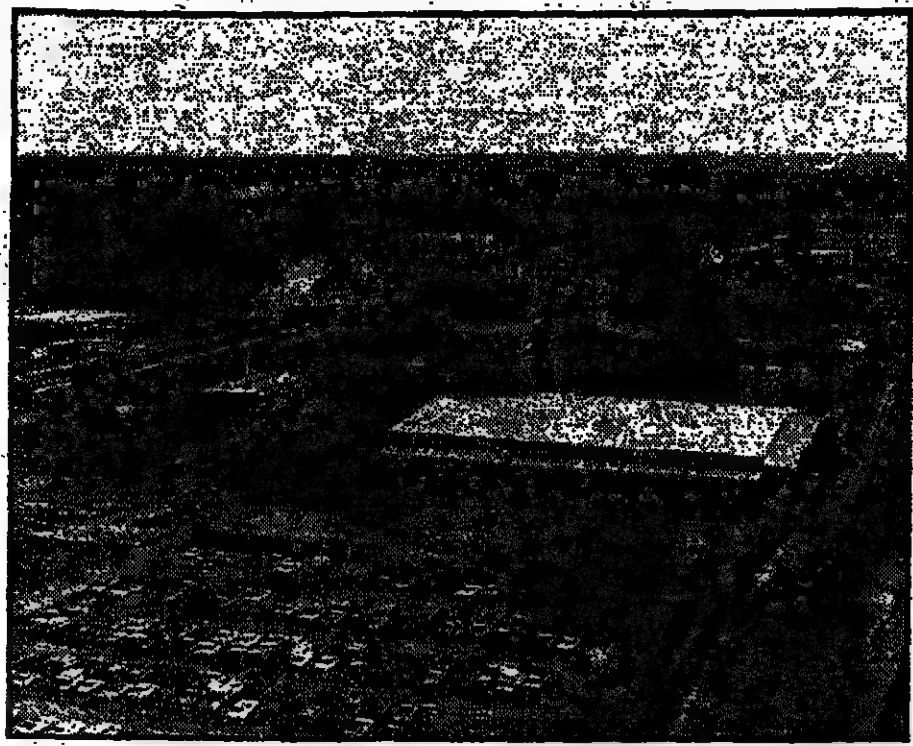
Bayer, BASF and Hoechst returned to the United States in the early 1950s, selecting chemical products made in Germany and then, in contrast to other branches of German industry, decided early to start manufacturing there.

The first important steps were joint ventures with established American chemical groups. In 1954 Bayer and the Monsanto Chemical Company founded the Mobay Chemical Company as an equal joint venture while five years later BASF united with Dow Chemical to form the Dow Badische Company.

By the end of the 1960s, before the Deutsche mark began its unsteady rise on foreign exchanges, all three groups had established their independence there.

Since the beginning of the 1970s the pace of investment in the United States has accelerated. Companies have taken over and new plants built so that the German groups are now represented along the Atlantic seaboard in the Appalachian regions of Pennsylvania, West Virginia, South Carolina, Tennessee, along the coast of Texas and in California.

Last year the combined United States turnover of the three groups amounted to



In the background the second stage of the Degussa Alabama chemical complex takes shape.

about \$2,700m. They employed about 32,000 workers. Their recent expansion has been so rapid as to be almost bewildering.

Within 15 days, at the end of September and beginning of October, the three big chemical groups received much publicity on their announcements on investment in the United States.

On September 26, Bayer made a \$215m bid, later increased, for Miles Laboratories, a medium-sized pharmaceutical company, of Indiana.

Two days later Professor Grunewald laid the foundation stone for a new \$50m iron oxide pigment plant at Mobay Chemical Company, by then wholly owned by Bayer, is building on its site at New Martinsville, Virginia.

On October 3, Professor Rolf Sammet, chief executive of Hoechst, said in Frankfurt that his company would initiate DM500m investment in plastics in Texas next year.

Finally, on October 10, BASF's subsidiary, Wyandotte, announced plans to expand its production of bi-phenyls to 90,000 tons a year by 1980.

The principal attraction of the United States for the West German chemical groups is the variety and size of the market.

That is as true today as in the 1950s, when the German groups first began selling their products there. At that time the United States was a market of unparalleled wealth.

The American people not only had the appetite for better cars, clothing, housing and medical care, but they had the money to buy them. For the large German chemical groups, which were traditionally international in outlook, it was too good a chance to miss.

The top men of Germany's chemical industry were also intrigued by the United States as a place of novelty and change. It is a country of intricate and demanding markets which keep companies alert and up to date with their technical knowledge.

But there were other reasons for the German chemical industry wanting to invest there.

The United States is protectionist and imported chemicals have to surmount tariff barriers. The German groups also found that large customers were not prepared to rely on supplies that had to be imported.

As the transport of bulk or commodity chemicals across the Atlantic swiftly became uneconomic, imports from West Germany became confined - no expensive

specialized chemicals or, for short times, to new products supplied from German plants for launching in the United States ahead of completion of factories there.

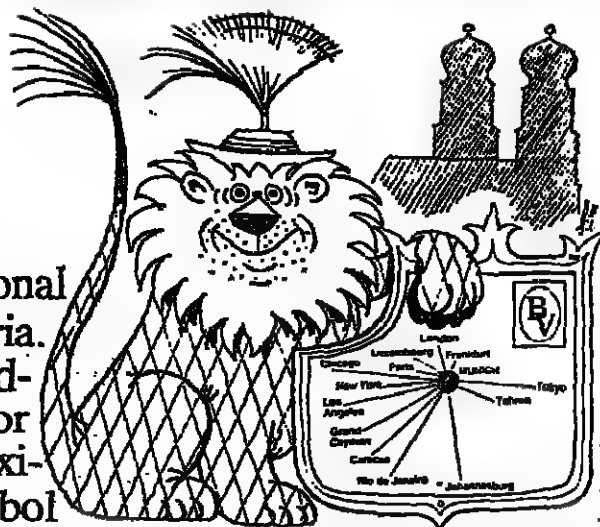
The attractions of investing in the United States have increased with the rise of German labour costs so that they now exceed American wages.

Though industrialists are reluctant to admit it, the American practice of hire and fire also favours United States investment. Dismissing labour in Germany is hard times has become increasingly difficult.

The example of the three big chemical companies is being followed by smaller German chemical groups. Degussa, of Frankfurt, the chemicals and precious metals group, returned to the United States earlier this year after an absence of nearly 50 years when it opened its first production unit in Mobile, Alabama.

The Düsseldorf firm of Henkel, Detergent is also active there. West German drugs, chemical stores and plastics made in the USA are becoming well-known products in the United States. Their penetration is likely to increase as Bayer, BASF and Hoechst will each be spending about \$500m on United States investments in the next five years.

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Profit is the idea behind aid

by William Cook

National attitudes to the developing countries have done an about-turn in recent years, swinging from the near-altruism of the early 1970s to a more pragmatic and profit-minded approach.

To Erhard Eppler, former Development Minister, any idea of using aid and investment to help to guarantee raw material supplies was anathema. "It is no business of development policy," he declared nearly four years ago, "to be involved in post-colonial models." In his view aid should be chiefly directed at the small farmer and the fulfilment of basic economic needs.

Egon Bahr, who succeeded Herr Eppler and has since himself been succeeded by Marie Schlei, took a much more practical line. He laid more emphasis on the industrial side, believing in the need for companies to be encouraged to invest overseas, supported directly or indirectly by the Government.

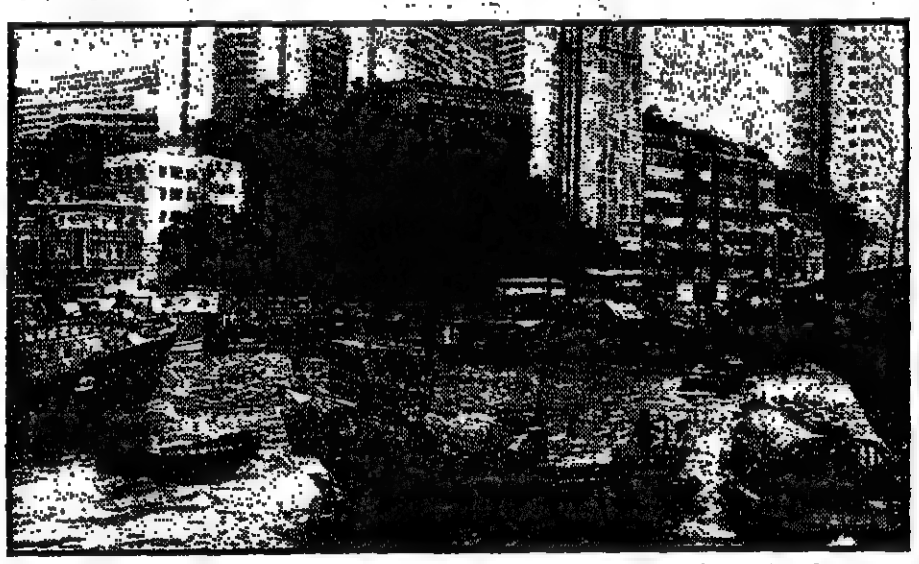
It was the Eppler approach that the countries on the receiving end of Germany's aid and investments most welcomed. But they have had to accept that the development policies directed from Bonn are closely linked with the Federal Republic's own economic welfare.

Because of Germany's fast-appreciating Deutsche mark, its escalating wage and social security costs, and more rigorous pollution and industrial location controls, investment abroad is growing faster than the inflow of foreign capital.

About a quarter of the country's foreign investments are being channelled into the developing countries, even though the latest figures for the first half of 1977 reveal a less than dynamic trend. Out of a total of DM2,570m invested outside Germany, just over DM1,620m went to the developing countries, well short of the DM1,030m recorded for the first six months of last year.

The Bonn Economics Ministry, which announced the figures, did not profess to have any answers for this decline, and was reluctant to conclude that German industry had undergone any change of attitude concerning its spending abroad. Investment in the developing countries accounted for slightly more than 24 per cent of the six months' total. A year ago, it had been almost 30 per cent.

What makes German in-



Hongkong: still attractive for companies wanting to switch production overseas.

dustry want to put money into the world's developing nations? Back in the 1950s and 1960s, when the now faded economic miracle investment in low cost, high population areas, spurred by the desire to escape competition rather than the need to be closer to the point of sale.

At the start of the present decade, the developing world accounted for a mere 7 per cent of the total industrial production. Just over half of this share was achieved in South America, still the most favoured non-industrial region of German investment, followed by Asia, with Africa trailing way behind at less than 1 per cent.

The developing countries have set themselves an ambitious economic target for the next quarter of a century. By the year 2000 they want to see their industrial output raised to at least 25 per cent. Only a little less modest in United Nations Industrial Development Organization,

which has set a goal of 20 per cent.

The experts at IFO, however, frankly do not believe that anything like such a high share is attainable, even over a time span of more than two decades. If 4 per cent is taken as the likely real annual growth rate of production in the industrialized countries, that in the developing world would need to advance at a heady 10.5 per cent plus to boost their share of total output to the desired level.

Since this is pure fantasy, notwithstanding the expectation that the actual growth pace will be high, IFO concludes on the basis of its studies and talks with experts about 14 per cent is a good deal more likely.

To find out why German firms invested or planned to invest in the Third World, IFO sent out a questionnaire to 3,600 companies. It received answer from just over half, of which 241 were positive, being based on actual experience or intentions of such investment. IFO found that 46 per cent of the firms named the transfer of production as one of the reasons.

In most cases there was a combination of the desire to switch production abroad and export the products to Germany and the aim of supplying the host country and the surrounding region.

Leading the field among those branches of German industry which have invested in developing countries are the makers of textile and building machinery, making up more than 40 per cent of the total. Producers of farm machinery and equipment are also, not surprisingly, well represented with 35 per

cent, with the entertainment branch of the electronics industry and photography and optics both also accounting for more than 30 per cent. Companies in the knitwear, gear and drive element, ceramics and toy sectors all rank above 20 per cent, while just below this level come clothing, non-ferrous metals, steel goods, tools and general metal goods and sports goods, among others.

IFO uncovered nothing new when it went through the replies to the question of why developing countries are most favoured by German industry. The Mediterranean region (Southern Europe and North Africa) and South America are to the fore, with the latter likely to increase in significance, it said.

East Asia seems to be losing its role for German investments, but retains an above-average place for companies whose main motive is to switch production facilities overseas rather than to win new markets. Here, the city states of Singapore and Hongkong, as well as Taiwan, Malaysia, Korea, and recently, Indonesia are the preferred locations.

Organization of the Sparkassen, Landesbanken/Girozentralen in the Federal Republic of Germany

Public Savings Banks

The German savings banks (Sparkassen) are legally and economically independent credit institutions. They are communal savings banks operated under public law. The business of a savings bank is directed by its managing board.

Their tasks and activities are laid down in the articles, which allow the savings banks to do all usual banking business for their customers. Transactions for their own account are subject to some limitations to secure the deposits, e.g. savings banks are not allowed to acquire securities out of their own funds.

The savings banks offer all services of a modern banking institution. Their services are available to every private individual, every business enterprise and every local authority. The following are the most important forms of business transacted: the acceptance of all types of deposits, credit business of all kinds, encouragement of the acquisition of personal property, settlement of cashless payment transactions and all other types of banking services, e.g. transfers to payees in Germany and abroad, collection of debts, bills and receipts, execution of cheque transactions and issue of cheque cards, purchase and sale of foreign currency and travellers' payment media caring for the need of customers in the field of foreign trade transactions.

At the end of 1976 there existed in Western Germany 650 savings banks head offices with more than 18,000 branches.

Savings Banks Associations

The savings banks of each federal state are united in regional Savings Banks Associations. The tasks of the regional Savings Banks Associations are, among other things, to represent the common interests of the savings banks; to offer information and advice to the members of the Associations in all matters of savings banking; to train staff members of the savings banks and to further their professional education; to examine the handling of business and the balance sheets of the member savings banks. At the head of the regional Savings Banks Associations is the Deutsche Sparkassen- und Giroverband in Bonn (German Savings Banks Association). It is the centralized representative of savings banks interests and corresponds to the savings banks associations on the regional level. It is the spokesman of the savings bank system in the public sphere and also to the Federal Government and parliament. Through its board and committees it influences the co-ordination of the savings banks and Landesbanken/Girozentralen, which are also its members.

Landesbanken and Girozentralen

The 12 Landesbanken and Girozentralen in the Federal Republic of Germany are operating under public law, like the savings banks. The business is directed by a managing board and the general management is supervised by the board of administration.

The Landesbanken and Girozentralen are the central banks of the savings banks. They act as clearing houses for the savings banks' national cashless payments. They hold the liquid reserves of the savings banks within their area of activity and effect the regional balancing of funds among the savings banks. Moreover, the Landesbanken and Girozentralen transact all customary banking business, e.g. granting short, medium and long-term loans to industry, commerce, trade and public authorities; in many cases they provide loans jointly with the local savings banks.

The Landesbanken and Girozentralen are entitled to make issues. They issue mortgage and municipal bonds. In addition to security and stock exchange dealings the services provided by the Landesbanken and

Girozentralen include foreign business in all its fields. To an increasing extent the Landesbanken and Girozentralen participate in international money and capital transactions, and, in particular, in the business of international financing.

The Landesbanken and Girozentralen assist the savings banks in their foreign business, for which purpose the maintaining of relations with foreign banks is of particular importance. On the other hand, the extensive network of branches of the German savings banks organization is utilized by foreign banks through the Landesbanken and Girozentralen.

The standard DM travellers' cheques of the German savings banks organization issued by the Landesbanken and Girozentralen and the savings banks show as drawn, Deutsche Girozentralen-Deutsche Kommunalbank, Berlin and Frankfurt am Main.

Building Societies

Along with the savings banks and the Landesbanken/Girozentralen there is a third group constituted by the 13 public building societies. These are institutions specializing in housing finance. Contractual savers with these building societies form their own capital which benefits in Germany from State premiums or tax relief. The building societies grant loans to their customers at favourable rates of interest with which to finance the building or purchase of their own home and land.

Deposits and basic Capital Resources

In the Federal Republic there is a well-balanced structure of private commercial banks, co-operative banks and credit institutions operating under public law, with special and general functions. The biggest Group among the credit institutions operating under public law is that of the savings banks (Sparkassen) and of the Landesbanken/Girozentralen. Every single deposit in these institutions is fully backed by the public guarantee. The guarantor for the savings banks is the respective local administration. The deposits of the Landesbanken/Girozentralen are guaranteed by their owners, who are usually the executive of the respective Lands of the Federal Republic and the respective savings banks.

The source upon which the savings banks draw to set up their own capital is their net profit, after deduction of tax. The Landesbanken and Girozentralen draw their basic capital resources from the allocation of their profits to reserves and from the allocation of the guarantors, i.e. of the respective State Governments and of the regional Savings Banks Associations in those Lands of the Federal Republic. While the private banks are able to set up their own capital in different ways (issuing of new shares, participations) the savings banks are prohibited by law from doing so. The basic capital resources of the Landesbanken/Girozentralen and of the savings banks are modest in comparison with that of the private banks.

But this is not detrimental to their business transactions because the guarantee provided by the cities, communities and states have a net worth function which covers the liabilities of the Landesbanken/Girozentralen and savings banks.

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The Grundig company headquarters at Sydenham, London. German companies are now looking more favourably at investment in Britain.

Britain: Whitehall woos the industrialists

by Peter Hill

Preliminary work is already going ahead at Bridgend in South Wales on the construction of the multi-million pound engine factory for the Ford Motor Company. The decision by Ford to locate this massive new European investment in Britain earlier this year followed several years of detailed studies and several hectic and anxious months of negotiation for officials of the Department of Industry.

The attraction of Ford to the South Wales site—against persuasive and influential arguments from other nations competing for the investment—has provided the Government with a huge boost in its campaign to secure large foreign investment projects to the United Kingdom.

The hope is that the Ford decision will influence other major companies to locate their new European investments in the United Kingdom where the financial inducements and general economic incentives are now every bit as attractive as those on offer in other parts of Europe. For Japanese and American companies the United Kingdom provides the ideal base and springboard for their marketing operations into the other member states of the European Community and also to the

important Scandinavian markets. For other European companies, the attractions of the United Kingdom are now being appreciated much more clearly.

Despite Britain's poor reputation for disruptive and damaging labour relations, the advantages of locating new investment in Britain—assisted by an armoury of financial assistance measures—are beginning to be seen in a different, more attractive light. It is because of this discernible change in foreign attitudes towards investment in Britain that top Whitehall officials are now involved in a major offensive to attract substantial investment from overseas.

Last month's visit by a top level team of West German industrialists and bankers reflected the determination of the British Government to stimulate new investment in Britain by West German companies. The visit, followed many months of behind the scenes discussions involving Sir Oliver Wright, the British Ambassador to Bonn. The composition of the German party clearly reflected the importance which German industry and the banking community attach to prospects for investment in Britain.

Led by Dr Hans-Günther Sohl, vice-president of the Federal Association of Ger-

man Industry, the party included the chairman of Veba the oil and petrochemical group; the chairman of Bayer, Dr Herbert Grunewald; and directors of both the Deutsche Bank and Dresdner Bank.

After four days of meetings, visits and discussions which included talks with the Prime Minister and the Chancellor of the Exchequer among others, the party was unanimous in its view that Britain was in a good way for a better economic future and had a good chance of overcoming the difficulties of the past few years. The high powered delegation from one of the richest and most successful economies in the world appeared to have been much impressed by the way in which the trade union movement had cooperated in the Government's anti-inflation policies, although members of the party noted that the real test would come in the middle of next year when it would be seen whether the moderation had been maintained.

The new mood of cooperation on the pay front and the emphasis being placed on settlements being within the Government's 10 per cent guideline ceiling represented a major feature of the presentations made to the West German team but views were also undoubtedly shaped by the impact which

increased revenue from the North Sea's oil and gas reserves is having on the economy, the facts that the balance of payments has improved considerably, that money supply was under control and that interest rates were falling.

As one member of the team noted at the end of the visit: "We would recommend investment in Britain. We are convinced that the situation will improve."

The United Kingdom is Germany's seventh largest market accounting for about 4.8 per cent of total exports while West Germany represents Britain's second largest export market after the United States, taking 7 per cent of total British exports.

Direct investment by German companies in Britain has risen considerably in the past few years and more than doubled between 1973 and 1976. Total aggregate investment has risen from DM861.8m in 1973 to DM1,965m last year but this is less than half the total United Kingdom investment in West Germany which has risen from DM3,607.5m in 1973 to DM4,408.5m last year and the German investment in Britain is relatively small compared with West German investment in other European countries.

But that trend is likely to change over the next few years. There is expected to

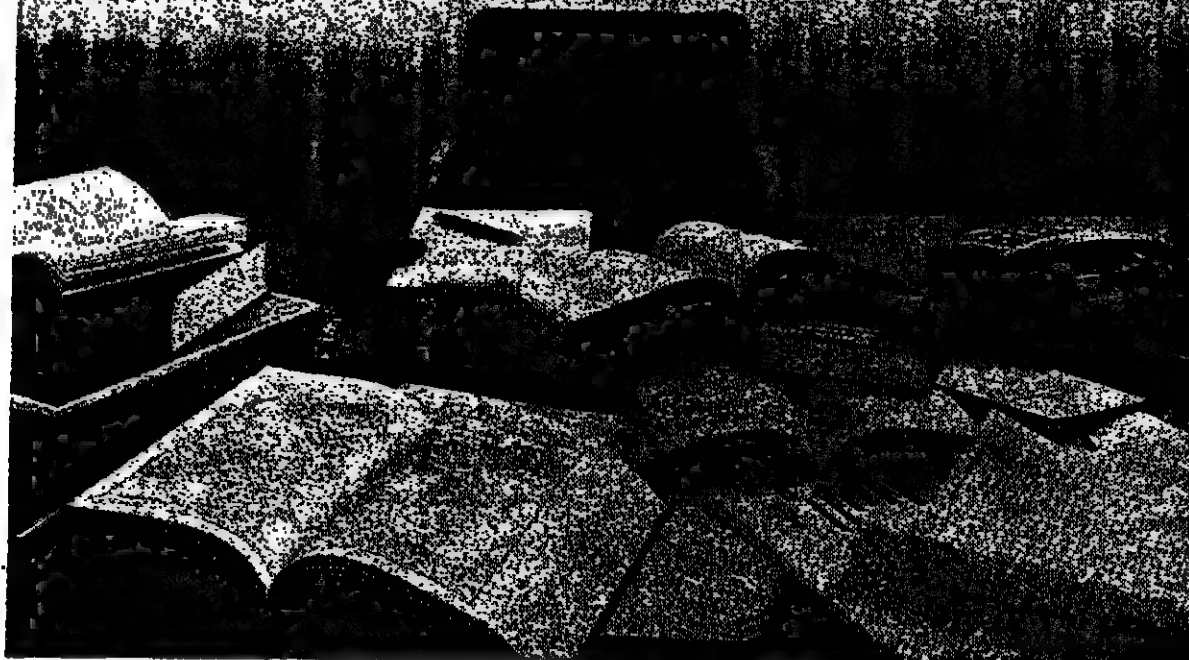
be a steady rise in the volume and value of West German investment in the United Kingdom over the next few years and members of the delegation left ministers and officials in no doubt of the positive attitude which they would adopt in view of the modest GDP growth expected for the United Kingdom, the prospect of exchange rate stability coupled with Britain's growing indigenous energy resources and the scope for improvement in output.

Of course there are other attractions. The low wage British economy presents obvious attractions to German companies and German companies clearly have considerable scope for building up rates of labour productivity in United Kingdom operations which is a move which would bring undoubted benefits for British industry generally.

Add to the general improvement in Britain's economic position, the wealth of financial aids and inducements which are now being offered by the Industry Department, there is little wonder that Whitehall officials are optimistic for the future of German investment in Britain.

The author is Industrial Correspondent, The Times.

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Mr Eric Varley (left), Secretary of State for Industry, with Dr Hans-Günther Sohl who headed a West German trade delegation on a recent visit to Britain.

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Brazil: foreigners welcome but facing difficulties

by James Hutchinson

A West German industrialist referred to his country some years ago as an exporting giant but a dwarf when it came to investing abroad. Germany traditionally attracted more foreign investment than it was prepared to place in foreign countries.

A few years ago the trend changed. At the end of 1976 foreign investments totalled DM47,000m compared with total foreign investment in Germany of DM45,500m.

Two principal factors have encouraged this development—the Deutsche mark has increased in value in relation to other currencies by about a sixth since the end of 1973, making exporting more extensive, and rising production costs have prompted manufacturers to set up plants in countries where wages are lower.

Countries of the Third World, like Brazil, have in particular benefited. The Third World now has about 30 per cent of West Germany's total foreign investment although the United

States remains the most attractive area for German investors.

At the end of last year investments in the United States totalled DM5,360m, those in Brazil DM3,450m. Even so this makes Brazil the second most popular goal of German investment. After the Germans, the next biggest investors in Brazil are the Japanese and the Swiss.

A German banker, Herr Hermann Josef Abbs, was recently asked why German industry invested so enthusiastically in a country with an inflation rate of 45 per cent. His reply indicated that this could well be a deterrent in the future.

The most significant investments, Herr Abbs pointed out, were made at a time when the inflation rate was lower. Further, once an investment plan had been put into operation it could not simply be broken off. The long-term prospects were decisive.

Volkswagen, for instance, has been well established in Brazil for many years. Its total investment there amounts to \$117,500m—or

about 30 per cent of Germany's Brazilian investment. Daimler-Benz has invested \$55,200,000 (9.4 per cent) and Robert Bosch \$35,700,000 (6.1 per cent).

Although Brazil, by far the largest developing country in Latin America, has introduced restrictive provisions for foreign investments—partly because of its serious balance of payments difficulties—the investment climate has remained basically liberal.

The country's economic policy is aimed at reaching a high degree of self-sufficiency for its industry. Import licences are issued, therefore, only for such quantities as are considered absolutely necessary, and high import levies are imposed.

Brazil has increasingly adopted the concept of joint ventures. Long-term investment loans from local financial institutions are practically only available to companies with a majority of Brazilian shareholders.

Foreign investors should be prepared for this and to

look for local financing and local technical partners. The Brazilian Government offers tax inducements to foreigners willing to invest in underdeveloped parts of the country and, additionally, in certain specific industries, such as forestry, fishing and tourism.

After the oil crisis Brazil went deeply into deficit, but its position has greatly improved in the last two years, and, last year, Brazil had a trade surplus with West Germany of more than \$100m. Brazil suffers from an acute shortage of skilled labour, and foreign investors have to train their own workers on the spot.

But, despite present difficulties, West German businessmen in Brazil are reasonably optimistic. The chemicals firm of BASF, for example, is confident that the Brazilian Government will solve most of its problems this year.

BASF has been in Brazil since 1953. Like many other German firms it had concentrated its efforts until a few years ago in the area around São Paulo, but has

since moved into the north-eastern development area. Krupp began production mainly of machinery for the coal and steel industries—about two years ago at a new plant in Belo Horizonte, and by next year hopes to have reached an annual turnover of DM100m. The firm has also captured a large share of the market for oil mills for the rapidly expanding soybean processing industry. And last year the Westdeutsche Landesbank of Düsseldorf acquired a 30 per cent stake in a Brazilian investment bank, specially designed to ease German investment.

But for the moment there is no disguising the fact that foreign investors are facing considerable difficulties in Brazil. The Government reckons that credit restrictions will bring about a fall in productivity and create more unemployment. Under the revised economic plan the Government estimates a growth rate of 5 per cent for 1977, but this is based mainly on the agricultural and mining industries. In other industries no growth is expected.



Traffic jams in the centre of São Paulo continue, despite a government ban on private cars. Taxis and buses are now responsible for hold-ups.

Risk factor causes 'wait and see' policy in South Africa

by Ray Kennedy

The extent of West German investment in South Africa is difficult to calculate accurately. Take, for example, AEG: AEG Telefunken (Pty), based in Johannesburg answers not to AEG in West Germany, but to AEG (Canada).

Thus its profits are not shown in performance figures of the German parent but are consolidated in those of the Canadian subsidiary. There is no doubt that AEG is big in South Africa: Telefunken alone is one of the main constituents of the embryonic television industry.

Similarly, organizations such as Mercedes-Benz, Volkswagen, Siemens, Magirus Deutz are in South Africa as a result of long-established joint venture agreements. Siemens has the

South African communications system and has done since its inception—the first telephone link in South Africa was laid by Siemens in 1880 between Cape Town and the then British Admiralty dockyard at Simonstown.

Officials at the South African Chamber of Trade, in Johannesburg, admit that since the Soweto trouble in June last year, German enterprises have been distinctly more unwilling to put their money into South Africa.

Although long-term investment has not been seriously affected, smaller enterprises which, according to the chamber, do not have access to the same information as big concerns, are showing a distinct reluctance to invest further.

There is also a considerable amount of slack in the

South African economy and under-use of existing productive capacity which makes increased investment unnecessary.

According to official figures issued by the German Federal Reserve Bank, investment in South Africa at the end of 1976 totalled DM576.2m, an increase of DM38m in 12 months. In the previous year it jumped by DM19.2m.

It underlines the profound effect of the Soweto disturbances on the South African economy and on overseas confidence. However, total German investment in South Africa is significant. We are reckoned by the chamber to be DM3,900m. This is, although the official Bonn figures exclude accumulated profits, investment through close our books in South Africa—such as the AEG arrangement—and the fact that Reserve Bank

approval is not required for local borrowings to acquire minority shareholdings of less than 25 per cent.

The official figures also exclude German loans to South African public corporations such as the Electricity Supply Commission, Escom, the Iron and Steel Corporation, Iscor, and the railways.

Mr Rolf Rauschenbach, managing director of BASF (SA), wholly owned subsidiary of BASF (AG), puts the position succinctly when he says: "There is no bidding the fact that the risk factor is becoming of greater importance."

He is, although the political uncertainty does not lead us to conclude that we must restrict our books in South Africa—such as the AEG arrangement—and the fact that Reserve Bank

man firms directly represented or operating through joint venture agreements in South Africa and covering all aspects of industry, manufacturing and finance.

Germany's direct investment in South Africa is less than 2 per cent of its total net direct investment overseas, compared with Britain.

In April, the Department of Industry had almost 10 per cent of the book value of direct foreign investments in South Africa at the

end of 1974, accounting for 24 per cent of total foreign direct investment in South Africa at the time.

But the return in terms of two-way trade has been greater for Germany in recent years than it has been for Britain, which has an estimated £2,600m invested in the country.

In 1974, Germany was ahead of Britain for the first time as the largest exporter to South Africa, thanks largely to winning

big contracts for the Richards Bay and Saldanha-Sishen rail and harbour developments.

However, South Africa only represents about 1.4 per cent of Germany's total foreign trade and the attitude of the Bonn Government to Pretoria's racial policies is a matter of concern in South Africa.

After the recent banning of 13 organizations and the country's biggest black newspaper the German Foreign

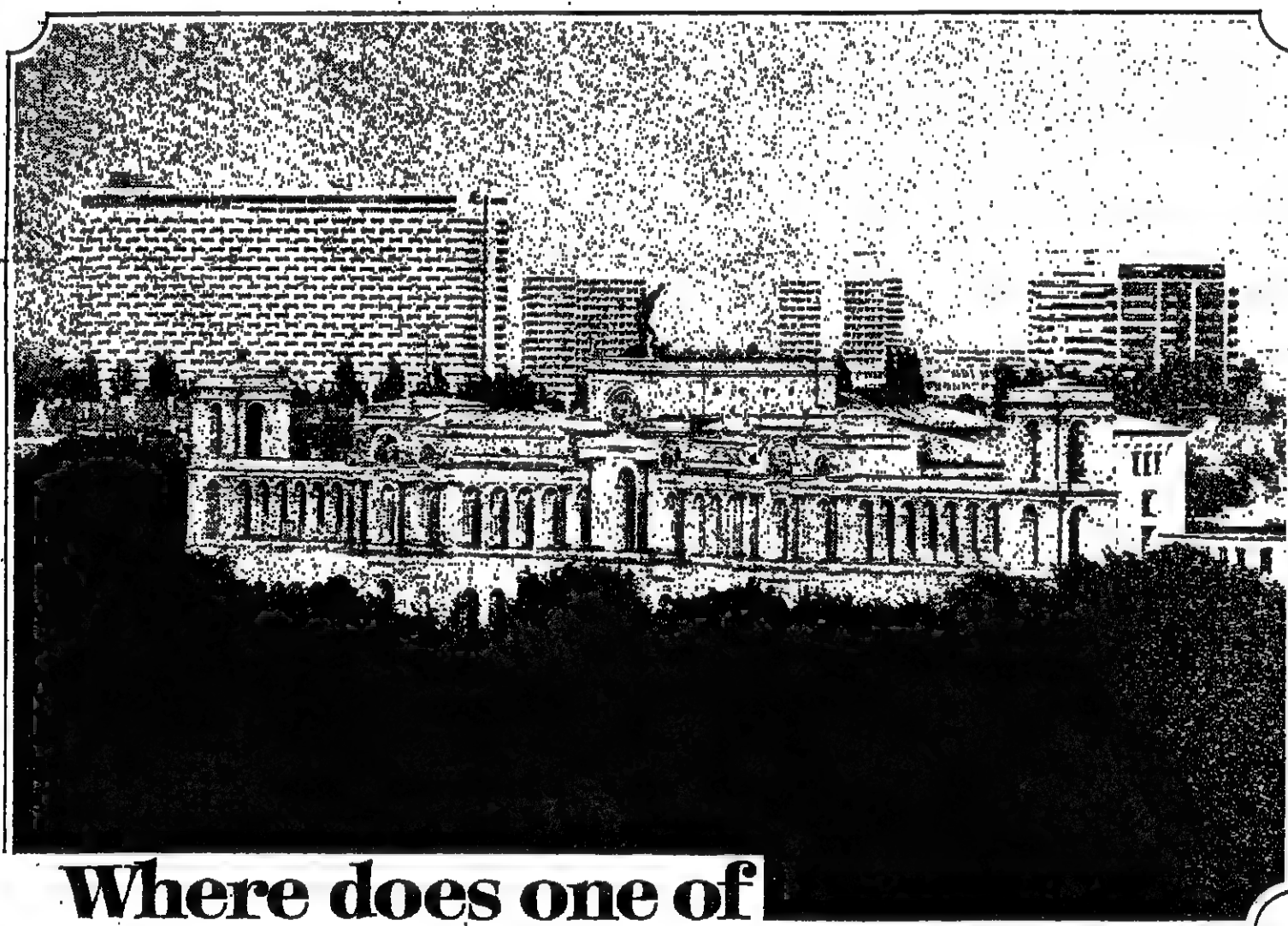
Minister, Dr Hans-Dietrich Genscher, called on Pretoria to retract the measures "and finally grant elementary rights to the majority of the people."

This has been followed by the recall of the West German ambassador to South Africa for consultations—the highest form of diplomatic censure short of breaking diplomatic ties completely.

Whether the political noises will be followed by

economic moves and whether Germany will support any form of sanctions against South Africa remains to be seen. There is no doubt that the links between the two countries are more important to South Africa than Germany.

But money talks, and the growing German stake in South Africa is 25 per cent of its investment in Africa as a whole, with the bulk of the remainder in Libya (from where it buys its oil).



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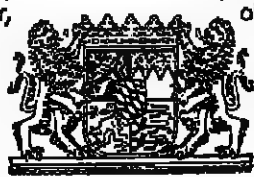
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Middle East develops slowly as destination for funds

by William Cook

It might, on the face of it, seem a perfectly natural step for West German industry to invest heavily in the oil-rich countries of the Middle East. They do, after all, possess the resources that Germany badly needs to keep its factories going, which in turn produce goods that the Arab nations basically lack.

But the trend has been slow to develop. Some experts have strong doubts whether it will ever really get under way. Their argument, and it is widely held, is that oil countries are keen to buy technology rather than have foreign investment cash set down on their doorstep. It is not money from such industrialized giants as Germany that they need, but the knowledge with which to set up their own industries.

Germany, moreover, is not the only source of technology. Britain, for example, has strong business links with the Middle East, while many of the rulers and officials have studied in England and speak good English, whereas German is generally unknown. In view of the average German businessman's linguistic ability, though, such problems can be overcome. It is the long association between Britain and the Arab world that presents a more difficult obstacle.

There are, none the less, strong arguments on the side of those who predict that German investment in the Middle East oil-producing countries is bound to expand, if not at a gallop, then at least at a trot.

To date, German firms' investment in Opec projects, joint ventures and enterprises totals about 1,000m Deutschmarks, although this does not include any funds that may have been chan-

nelled through other countries or indirectly. Trade officials in Bonn point out that this total is minute. West Germany's total investments abroad are not far short of 50,000m DM.

Much of the money being spent by German industry in the Middle East is linked to specific contracts or building projects and cannot be classed strictly as direct investment. During the first half of this year, only one Opec member in the area, Iraq, was in the 10 countries which received the largest amount of German funds. And with a mere 40m DM, it was well behind countries like the United States, which was followed in second place by Germany's favourite developing nation, Brazil.

Apart from Iran, Germans seem to prefer the non-Arab Opec countries of Nigeria, Indonesia and Venezuela as recipients for industrial investment. All are thickly populated with large potential domestic markets, high revenues, ambitious development plans and a relatively favourable economic climate.

In only one of the Middle East oil producers, again Iran, does Germany have a chamber of commerce. This was set up two years ago and is unlikely, for the moment at least, to be followed by others in that area. To give potential investors and exporters an idea of what Iran has to offer, the chamber has just published a brochure containing the names, addresses and telephone numbers of 325 state purchasing organizations and companies, something which did not exist earlier.

There is no shortage of difficulties for the potential investor in the Middle East, and most have been well publicized. Transport problems, administrative and bureaucratic blockages, problems of control and financing methods, and legal dif-

ferences all combine to hinder investment.

But the Opec countries are anxious that their revenues should not be based on oil, but from a mixture of refining, chemical and heavy industry. It is this desire to broaden their industrial base which makes the Middle East an obvious attraction for businessmen from any western country.

It has been estimated that nearly 40 per cent of the world's oil output comes from the Middle East and the region also accounts for about 60 per cent of total reserves. While this is good news for the oil countries, there is a darker side to the picture and one which Opec members have clearly recognized.

If oil continues to be produced at the same rate as in 1975, it has not, in fact—and no new reserves are discovered, it will run out in 19 years. In Kuwait, there would, on this assumption, only be enough oil for seven years; in Algeria for eight years. Drawing a conclusion from this, the Institut für Wirtschaftliche Forschung (IWO) Research Institute in Munich said recently that Opec members would be forced to increase oil prices further and cut production if they wished to use the benefits from oil for their own economies beyond 1995.

The outlook for natural gas is more favourable. With as much as 20,250 million cubic metres, or 30 per cent of the world's total, the Middle East has enough for the next 200 years. Particularly well endowed are Iran, Algeria, Saudi Arabia and Kuwait.

The vast revenues which these oil and gas-rich countries accumulate every year are judged by IFO as sufficient to finance the refineries, petrochemical plants, steelworks and al-

though, in 1976, the inflow of foreign exchange was about \$59,400m of which \$50,000m was actually spent.

Yet as IFO takes pains to point out in its study of Opec and the industrialization of developing countries, the way in which the \$39,400m surplus is distributed is very uneven. Countries like Libya, Saudi Arabia, the United Arab Emirates, Qatar and Kuwait, have such small populations and such oil-based economies that they find it hard to absorb all their revenues.

Oil producers that are heavily populated and economically diversified, on the other hand, such as Algeria, Iraq and Iran, can scarcely be called "surplus" men. Here, IFO says, are projects in the hydrocarbon and energy-intensive industries are vying for available funds with others in the agricultural, basic services and military sectors.

Iran's decision to take a quarter share in the Krupp concern shows the value that the Middle East oil producers place on the acquisition of vital technology and materials from the developed countries.

The Opec countries also have ambitious plans for nitrogen-based fertilizer production, where they hope to boost ammonia capacity sixfold from the 1975 level to 6,500,000 tonnes a year by 1980 and that of urea from 1,700,000 to 8,100,000 tonnes.

In the iron and steel industry, where Iran and Algeria are the most ambitious planners, the aim is for an expansion from one million tonnes of steel in 1975 to 37 million in 1980.

Clearly there are chances for German investors with high stakes. However, there will be plenty of competition from other industrialized countries, and the operating difficulties are immense.

by Peter Norman

This year unemployment in West Germany is almost certain to average more than a million for the third year running. Although business investment rose by about 11 per cent in the first six months of this year, there is still general agreement that investment at home is too low to bring a return to full employment.

Therefore, it is hardly surprising that investment abroad is a controversial subject, even though at its present high level it represents only about a twentieth of industry's fixed asset investment a year.

The average worker or newspaper reader can hardly fail to be impressed by the percentage figures being bandied about. For example, in the three years to the end of 1975 the average rate of industrial investment abroad was 57 per cent up on that of the previous three years, while investment at home declined on average by 6 per cent.

Over the past few months hardly a week has gone by without some large German company announcing a new venture abroad. It is easy to visualize an export of jobs and a corresponding loss of employment opportunities at home.

In certain cases the fear is justified. Today Triumph International, the ladies' swimwear and lingerie concern, is hardly a German-based company from a production point of view.

Between 1965 and 1975, the company's West German turnover fluctuated downwards from DM375m to DM334m while sales abroad rose from DM116m to DM424m. The workforce in West Germany fell from 13,200 to 4,400 and abroad it rose from 4,800 to 13,500. Triumph International is

Production abroad safeguards jobs at home



These immigrant workers have come to Dortmund in search of a job, though there are more than a million unemployed in West Germany.

the classic case of a company involved in a simple technology process—in this case making clothes—which had to move abroad because West Germany has developed into a high-wage country. By investing abroad it continued to grow in an otherwise declining industry.

But Triumph International is not typical. Most German industrialists would claim that investment abroad makes the jobs at home more secure.

It was with this argument that Herr Toni Schmücker

was finally able to persuade the Volkswagen supervisory board to agree to an assembly plant in Pennsylvania, from which 200,000 Rabbit versions of the Golf will roll off the production lines each year from 1978 onwards. He argued that a Golf or Rabbit made in the United States would need parts made in Germany.

Furthermore, by maintaining or increasing Volkswagen's overall United States market penetration, the Pennsylvania plant should make it easier for the company to sell imported Volkswagens or Audi models.

To obtain the approval of his supervisory board, Herr Schmücker had to win over Herr Eugen Lodewig, the head of the powerful Metal Workers' Union, which had previously blocked suggestions for a Volkswagen

assembly plant in the United States. If he had not succeeded, the upward movement of West German investment abroad might have been stopped in its tracks.

The Volkswagen management faced a special difficulty in that the discussion by Bayer as well as help to open the American market to products made in Germany.

There is also the point that foreign investments can, in their initial period at least, open up export opportunities for the German engineering and machine industries and so provide a stimulus to employment.

The steady advance of German investment abroad testifies to the smooth working of worker democracy in German industrial and commercial concerns.

Mitbestimmung, the German system of co-determination through the appointment of worker representatives to supervisory boards, has enabled German management to convince their workforces at the highest level of the virtues of foreign investment even in times of recession.

A representative of the employees can see for himself how a foreign investment will open or preserve a market, stimulate technological feedback and generally advance the welfare of the company and its workforce.

But because of Mitbestimmung, German companies are likely to remain funds-

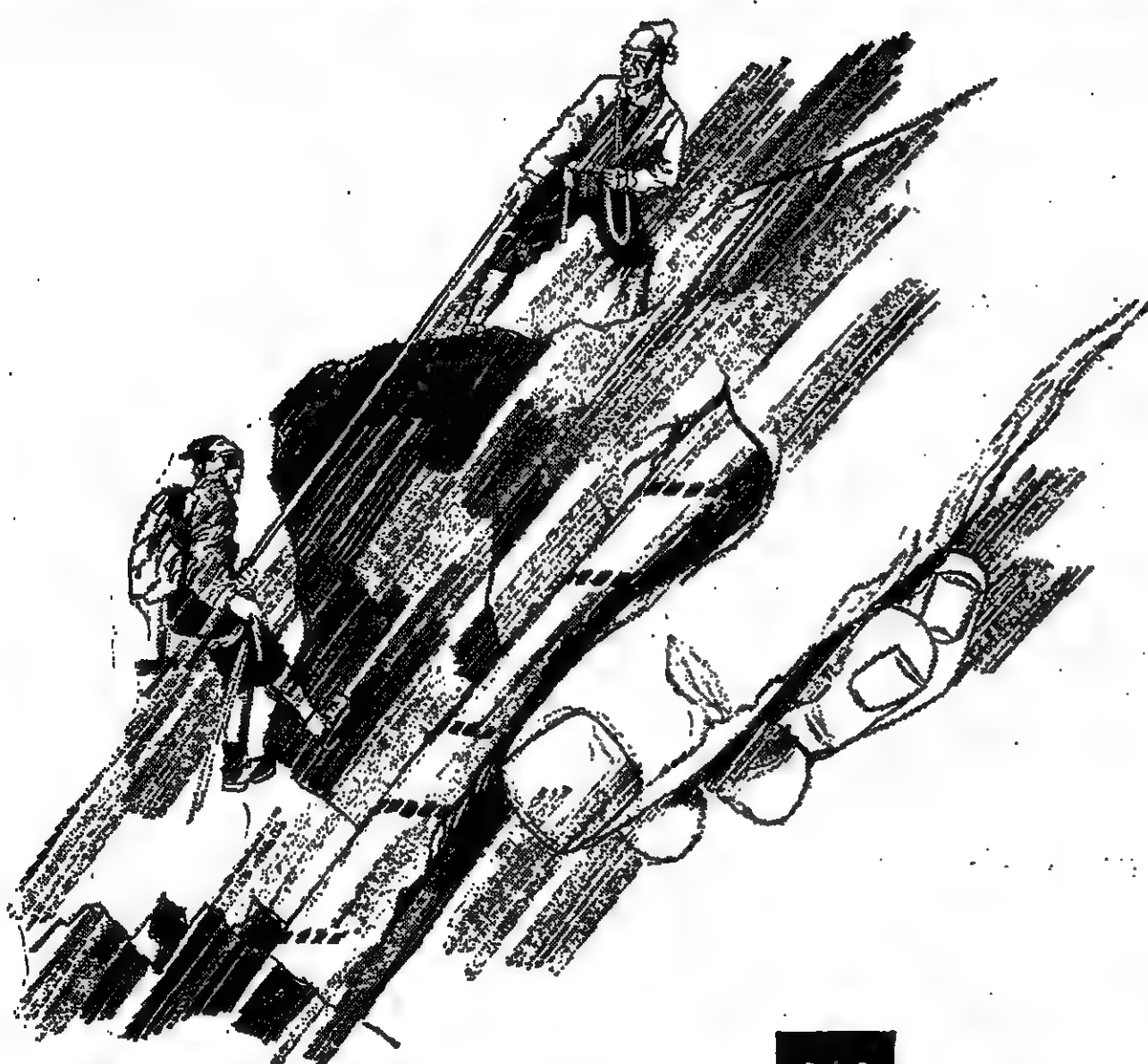
mentally German. The workers' representatives may approve foreign investment projects, but they will also make sure that most of a company's investment programme is carried out in West Germany.

There is no German company that could accurately be described as multinational. Even the biggest such as Siemens, Daimler-Benz or Volkswagen, are distinctly German concerns, albeit with international interests.

West German corporate investment abroad also has the support of the Government. The trained economist at the helm in the Bonn Chancellery clearly does not think that foreign investment conflicts with the Government's main economic policy goal of restoring full employment.

Furthermore, no change in government policy is likely to arise from the recent change at the top of the Economics Ministry. Herr Otto Graf Lambsdorff is just as much a convinced free marketeer as his predecessor, Dr Hans Friderichs.

In fact, both the Government in Bonn and the Federal Bank in Frankfurt welcome West Germany's re-emergence as a net exporter of long-term capital. For the rise in German investment abroad is something that can be betted when it is suggested that the country is not doing enough to bring about world economic recovery.



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The economic implications of N Sea oil, page 25

Cabinet policy to float pound challenged by top economists

By Melvyn Westlake

Criticism of policies, which might, starting to rise on the international currency markets, comes this morning from three of Britain's most eminent academic economists, all of whom have at some stage been employed in government service.

A week after Mr Callaghan and Mr Hiley allowed the pound to rise freely against other currencies, Mr Wynne Godley, a former deputy director of the Treasury's Economic Section, suggests that the Government would have been wiser to take alternative action to prevent speculative inflow of foreign money to Britain.

One alternative measure that the Government could have taken would have been to deposit non-resident holders of sterling with the Bank of England.

By contrast, these ministers in favour of allowing the pound to appreciate have argued that the alternative was to allow an increase in the money supply or remove exchange controls on British investment overseas.

Both were ruled out on the grounds that one would increase inflation and the other would be unacceptable to the TUC.

Writing in the November issue of *The British Economy*, published by City stockbrokers Wickers, de Coss, Mr Godley, who is director of the Department of Applied Economics, Cambridge University, says that Japan, West Germany and Switzerland have "on the whole" been successful in keeping out speculative inflows by a variety of devices.

Referring to the mini-Budget of October 26, he says it is now clear that fiscal policy has been even more restrictive than was expected in the months ago, and "will remain so even after allowing for the expansionary measures introduced."

In Mr Godley's view the present fiscal stance "is over-restrictive to the tune of £3,000m." This judgement is not a call for "reflation," based on a short-term forecast,

but the result of a careful calculation of what fiscal stance is the appropriate counterpart of balanced growth in the medium term.

In a separate article, in the *National Westminster Bank Quarterly Review*, Professor Richard Kahn, of King's College, Cambridge, and Mr Michael Posner, of Pembroke College, Cambridge, say that a low exchange rate is necessary to encourage manufacturing output and employment.

This strategy should reduce the United Kingdom non-oil visible trade deficit, which in turn should make it possible to allow further fiscal expansion and higher levels of home activity and demand for imports.

The alternative, allowing the balance of payments surplus to be whittled away by further exchange rate appreciation while continuing the present stance of fiscal and monetary policy, the authorities, "seems to us unattractive for domestic reasons."

"In the view of the authors the economic and political atmosphere created by increasing employment, output and real national income would make continuing restraint in wage settlements far easier to achieve."

Until recently Mr Posner was deputy chief economic adviser to the Treasury. Professor Kahn has been a temporary civil servant in various government departments.

They express a fear that British manufacturing industry might suffer gradual decay as a result of competition from overseas suppliers. This might be masked by a large oil surplus and a large surplus on invisible trade.

There was a danger that by the year 2000 Britain could be a net importer of oil, and that the danger of living on North Sea oil would be guarded against by appropriate fiscal and exchange rate policies.

Draft audit standards ready early next year

By Nicholas Hirst

Production by the accountancy profession of a long-awaited comprehensive set of auditing standards is well advanced and draft documents should be published in the first quarter of next year.

Lack of a generally accepted set of auditing standards has been a considerable embarrassment to the profession over the past few years as the quality of auditing has been increasingly called into question.

Partly for this reason the joint committee of the six United Kingdom accountancy bodies, set up as the Auditing Practices Committee nearly two years ago to produce definitive standards.

Discussion papers on all the major issues have been sent to the technical committees of the accountancy bodies, including some 1,200 people. They will be asked to report back by the end of this month.

A report on disciplinary procedures prepared by an eight-man committee headed by Lord Cross, will be published this week. Although not directly related to the new auditing standards, the report will help the professional standards and disciplinary committees of the profession to make judgments on accountants if there is a set of published rules for guidance.

The discussion papers which have gone out to the technical committees include an explanatory memorandum covering auditing standards covering planning and control; accounting systems; audit evidence and financial statements; two on audit reports—one for qualified and one for unqualified—and subject guidance notes.

The standards, intended to codify best practice, are not fundamentally different from the 20 statements on auditing included in the *English Institute's Handbook*.

Outside the profession itself, the new standards likely to have the most impact concern the auditors' report. Increasingly strict and concise requirements on financial reporting resulting from the issuing of



Lord Cross: Disciplinary report this week.

successive statements of accounting practice from the Accounting Standards Committee, the rule-making body of the accountancy bodies, has led to much more frequent qualification of auditors' reports.

It has thus become increasingly difficult for readers of companies' annual statements to discern the importance of a qualification.

To overcome this, four types of qualified audit report are suggested, each carrying standard words which would be applied universally by auditors.

Qualifications will be divided into those which are fundamental to the accounts as presented, and those more common to specific areas of the accounts.

They are divided yet again between qualifications where the auditors are uncertain whether the figures are correct, as with some property valuations, or where they disagree with the method—where an accounting standard has been flouted.

Thus, non-fundamental uncertainty would be expressed such as "subject to the outcome of the court case referred to in the accounts in our view."

Non-fundamental disagreement would be expressed by the words "Except that the standard on deferred tax has not been complied with the accounts give a true and fair view."

Fundamental qualifications would be expressed by the words "We are unable to say whether the accounts give a true and fair view," or "because of not complying with a standard the accounts in our opinion do not give a true and fair view."

Financial Editor, page 25

Working party will study schemes to boost tourism at British resorts

By Patricia Tisdall

An industry working party to study the problems of traditional British resorts is to be set up by the Department of Trade. The move is one of a series of new initiatives being taken by the Government in investigating potential for fresh tourist development.

While stressing that no new Government funds will be immediately available for tourist projects, Mr Michael Meacher, Under-Secretary of State for Trade, is keen to generate other ways in which the industry can be improved.

The aim is to create "magnet" which will help to keep British holidaymakers at home as well as attract foreign tourists away from already congested resorts.

side and spa resorts are regarded as a "large and valuable investment which cannot be ignored and cannot be allowed to waste."

This is similar in concept to the scheme being operated by

the Government itself in three pilot projects launched this summer. The districts participating in the experiments are the High Pennines from Teeside to the south Tyne valley, Scarborough, and the area of north Cornwall from Bude to Wadebridge.

The objective is to concentrate the state aid already available for tourist projects in the development areas as "seed money" to attract a total investment of £2.5m to £3m for each of the selected districts.

Schemes previously assisted under section 4 of the Development of Tourism Act were scattered throughout the development areas. The diversity of the attractions created, which ranged from an aero park in the West Country to a museum of music hall memorabilia in Sunderland, was welcomed. But it was felt that a "cluster" of attractions within a comparatively small area would make more effective use of funds.

In the light of their experience this year, Mr Meacher wants a reappraisal of techniques and basic approaches to marketing. One suggestion is for holiday towns in the same geographical areas to pool resources in a joint promotional exercise.

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Bonn proposal to free nuclear power log-jam

From Peter Norman

Bonn, November 6

The log-jam in West Germany's programme of nuclear power station building may be partially freed if the Free Democratic Party congress, which is meeting in Kiel this week, can accept a compromise devised by Otto Graf Lambsdorff, Bonn's Economics Minister.

Graf Lambsdorff's proposal, which was adopted this week, was adopted by the congress and as a motion for the congress by the party's executive committee, is designed to avert the threat of a three-year moratorium on new nuclear power station building.

In terms, the motion—if it is accepted by the FDP and endorsed by the Social Democrat Party congress—a week later—would enable building permits to be granted for six new nuclear power stations.

Germany's nuclear programme has been severely hit

by opposition groups' obtaining court orders blocking work on individual power station projects.

But a more serious threat has been building up within the Free Democratic and Social Democrat parties in the form of pressure to make the construction of new nuclear power stations dependent on the granting of a first construction permit for a centre to process and store highly-radioactive nuclear waste at Gorleben in Lower Saxony.

As the permit is not likely to be ready for two or three years such a policy would lead to a de facto moratorium on new nuclear power station building.

Graf Lambsdorff has proposed that construction permits for a few nuclear power stations could be granted subject to certain conditions for the construction of a full programme.

The availability of the first results of investigations into the suitability of Gorleben.

BNOC would be 'commercial' under Tories

By Roger Vielvoys

A Conservative government would contain but not abolish the country's newest nationalised industry, the British National Oil Corporation. Mr Tom Kins, the opposition energy spokesman, said at the weekend that under the Conservatives the BNOC would lose its role as a government regulatory agency and would have to operate like a commercial oil company without the privileges bestowed on it by the Labour Government.

Mr King was presenting the new Conservative energy strategy, which reflects the more tolerant attitudes towards BNOC that have emerged in Conservative circles over the past few months.

He said the corporation was an "essential combination of a regulatory agency and a state oil company. The Conservatives accepted that it might be necessary to regulate the rates of extraction from the North Sea to ensure that the oil was available when the country needed it."

But it was quite incompatible for this to be carried out by BNOC in conjunction with its other role of an operating oil company.

The corporation would have to conform to commercial disciplines and would lose its exemption from Petroleum Revenue Tax and its access to the National Oil Account into which all the royalty payments by other operators are made.

"It is our firm intention, firstly, at least, to contain BNOC and then to examine its activities in each case to determine their relevance to the national interest," he said.

Mr King, who was speaking at a Conservative Political Centre meeting in Banbury, reaffirmed support for the 1974 guidelines regarding North Sea policy.

All companies recognised that changes might have to be made. But they were entitled to expect that if changes were made they were done so openly and only after the fullest discussion.

"We deplore the increasing signs that Mr Benn is surreptitiously avoiding the guidelines by indirect means such as by refusal to allow gas flaring here, or the failure to discuss the 'suggestion' about short term contracts there," he said.

"We reject utterly this back-room method of control and will ensure that the oil companies are fully informed of their rights and responsibilities."

On nuclear energy, Mr King said it was vital that the uncertainty about the next generation of therm reactors should be ended. It was also important to know if the option of commercial scale fast breeder reactors was available.

This should be the next step. He suggested that a public inquiry similar to that being held into the Windscale reprocessing proposals "should be put in hand as quickly as possible."

"I recognise the fear that allowing the commercial fast breeder to be built will lead inevitably to a full programme. It should, however, be regarded as an insurance premium and specifically not carry any commitment to a further programme wider than the fullest public discussion of the issues involved based on actual experience of fast-breeder operation."

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Odds on the Senator in his duel with Dr Burns

A battle between Dr Arthur Burns and Senator Hubert H. Humphrey is a battle of political giants. H.H.H. has fired the opening shot, and today he looks like being a certain winner.

Senator Humphrey no longer chairs an important Congressional committee, but his influence is enormous. He need do little more than whisper in the ear of President Carter to ensure that Dr Burns does not have his contract renewed as chairman of the Federal Reserve Board when it expires on January 31.

The former Vice-President of the United States is not vindictive. He is fair, and likely to confine his duel with Dr Burns to policy issues.

He said the other day that Dr Burns was misguided about the nation's economic problems; but he was "a sincere and dedicated man. He wants what is right for our country."

After delivering a blistering attack on Fed policies last Thursday, the Senator from Minnesota agreed with Senator Jacob Javits of New York that Dr Burns should have "his day in court"—that Dr Burns should be given a chance to defend his views.

Senator Humphrey has charged that Dr Burns's policies threaten to undermine all of the Congress's and the Administration's efforts to stimulate the economy and reduce unemployment. He has charged that easier money policies are essential now.

In coming days it will be exciting to see how Dr Burns defends himself.

The Fed chief's struggle, however, is as almost impossible one, since the old campaigner in the Senate is as determined as ever and displaying incredible drive and vigour.

Mr Humphrey has been combating cancer for several years, and recently his doctors admitted they could do little more to help him.

What chance does Dr Burns have today in confronting a man who, as a Senator, received the unprecedented honour last Thursday of being asked to speak to the full House of Representatives, who enjoyed a unique oration on the floor of the Senate when he recently returned to work, and who was fetched from his home in Minnesota and flown to Washington two weeks ago, after leaving hospital, by the President of the United States?

Frank Voel

Civil servants to take legal action over frozen salaries

Continued from page 1

advice. "Counsel thought that we had a very strong case, and on the basis of that the executive committee took the decision to proceed with the case with legal proceedings."

In December 1974 the then Prime Minister, Mr Harold Wilson, faced with the top salaries had various recommendations, decided to grant some increases for the judiciary and top servicemen, but selectively froze the pay of state board members.

There was a protest at the time from Lord Boyle of Handsworth, the chairman of the Review Body, and ever since there has been simmering discontent in the higher reaches of public corporations and other enterprises subject to the board guidelines.

Most recent manifestation of the discontent has been the formation of an Association of State Board Members to fight for salary improvements, and a

much-publicised revolt within Cable & Wireless.

Pay restraint policies have been the justification used by ministers in requesting state board members to set an example. The Government originally promised permanent secretaries and deputy secretaries full implementation of rises recommended in 1974.

These were to be effected in two stages, but last year the arrangement was changed as part of counter-inflation policies then prevailing.

Pay of top civil servants has been frozen between £14,000 and £20,175 a year by excluding the second stage of increases, due on January 1, 1976.

For over 100 members of state boards, present salaries were agreed in 1972, since when all other managerial groups have received adjustments to their remuneration. Some boards are now receiving less than subordinates in executive management.

Profit on state contracts

By Edward Townsend

Government and Confederation of British Industry officials have agreed to implement in full the latest recommendations of the Review Board on non-competitive government contracts, including the proposal that the overall target rate of return on such deals be raised from 18 to 20 per cent from October 1.

Negotiations between the Treasury and the CBI representatives, the contractors, began almost two months ago, after publication of the board's report, the second general review of the profit formula since the board was set up in 1969.

The 18 per cent rate ceased to operate on September 30 and it had been hoped to reach agreement on the new level by that date.

Two Arab airlines cited for price-cutting

By Business News Staff

Complaints that two Middle East airlines—Syrian Arab Airlines and Kuwait Airways—have been contravening regulations by selling cut rate tickets, have been accepted by the Department of Trade by the Board of Airline Representatives in the United Kingdom.

Evidence contained in reports compiled by independent investigators have also been lodged with the Association of British Travel Agents and the Guild of Business Travel Agents.

The two airlines bring to five the total reported by BARUK in its "Operation Clean UK" campaign to stamp out "unauthorised discounting."

At the Association of British Travel Agents' annual conference in Athens last November, Air India, Egypt Air and Aeroflot were similarly reported for breaking an agreement not to

sell cut price or "bucket shop" air tickets.

If the new claims are proved, the ultimate sanction is a revocation of the airlines' licence to operate out of the United Kingdom. Travel agents, in addition, be asked to boycott the airlines concerned by refusing to sell their tickets.

The Government, which through the Civil Aviation Authority has been seeking legal powers to prevent British carriers from discounting, has no similar control over foreign airlines.

It is understood that new legislation permitting fines to be levied on foreign carriers to prevent discounting is being discussed within the DoT until recently. However, any such plan has now been shelved.

Present thinking is that developments such as Skytrain, standby tickets, Advance Bookings Charters and cheap char-

ter tickets with minimal accommodation requirements will automatically eliminate irregular price-cutting.

The possible extension of new charter fare structure is likely to be raised by Sir Ray Colegate, group director of the Civil Aviation Authority, in his address today to the 1977 ABTA conference, which this year is being held in Lisbon.

Arthur Reed, Our Air Correspondent writes: Over 300 senior executives from the 110 member airlines are expected to attend the 33rd annual general meeting of the International Air Transport Association in Madrid this week.

Chief problems are the availability of jet fuel in the future, the raising of the rising amounts of capital needed to finance new aircraft, and the move towards cheap fares, especially on the north Atlantic.

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Commodities fund is prime target at resumed Unctad talks

By Our Economics Staff

A new round of international negotiations opens today which could ultimately alter the basic character of world markets for some of the most widely traded commodities, as well as the way their prices are set.

Delegations from more than 100 countries will participate in what promises to be another marathon bargaining session at the Palais des Nations in Geneva between the world's rich northern consumers of raw materials and the numerous poor southern producers.

If these Third World producers get their way a new powerful international institution, called the Common Fund, will be established with \$6,000m at its disposal to regulate prices of 15 commodities, and increase the benefits to the producers from trade in these raw materials.

The negotiations, which are being held under the auspices of the United Nations Conference on Trade and Development, are scheduled to last four weeks, but seem likely to last

experience, to exceed the provisional termination date of December 2.

Although the industrialised nations have already made some concessions on the issue of a common fund, the price still considerable differences between their position and that of the Third World countries. This has given rise to fears that this gap may not be bridgeable during the present round of negotiations.

Mr Ganiyu Corea, the Sri Lankan Secretary-General of Unctad, has already issued a strong warning about the danger of another failure to reach agreement could pose to relations between the industrialised and developing countries.

His words recall the previous unsuccessful round of negotiations on the common fund last March, and the unsuccessful 18th Conference on International Economic Co-operation in Paris, which ended in an abortive ministerial meeting last June.

However, even the optimists now expect that there will have



Sir James Bottomley: United Nations Ambassador heads British delegation.

it will be financed, and what particular commodities could conceivably come within its ambit.

The industrialised nations—the so-called Group B countries—met last week to try to settle the details of their joint negotiating position, and this is expected to be presented to the plenary session in Geneva today or tomorrow.

Britain's delegation is drawn from the Department of Trade, the Treasury, the Foreign Office and the Ministry of Overseas Development. It will be led by Sir James Bottomley, the United Kingdom Ambassador to the United Nations in Geneva.

The essential differences between the industrialised and developing nations centre on the precise role of any future common fund. Very broadly, the rich countries believe that it should act as an agent for channelling the surplus cash of individual commodity organizations to their sister organizations which do not have enough money to intervene in the

market to stabilize a particular price.

Prices would be controlled by purchasing a commodity when the market was falling and building up a buffer stock which can be resold when the market rises.

However, the Third World wants the common fund to have its "own financial resources", which can be deployed at its own discretion.

Alongside the bargaining over the common fund, separate negotiations have been taking place between producers and consumers of particular raw materials in an effort to establish a range of individual commodity agreements.

Third World producers believe their version of the Common Fund would be a catalyst in the creation of such commodity agreements. But the rich countries disagree about how much control the common fund should have.

They also disagree about how many commodities are susceptible to buffer stocking arrangements.

Call to limit shipyard proliferation

By Peter Hill

Industrial Correspondent

A ban is urged today on aid being channelled to developing countries by members of the Organization for Economic Co-operation and Development to support expansion of emerging nations' shipbuilding capacity.

The 12-nation Association of West European Shipbuilders has sent copies of a survey of the world shipbuilding scene to the European Commission, the OECD, whose working party on shipbuilding begins a round of talks in Tokyo today.

Little positive progress in agreeing on measures to cope with the deepening world crisis is expected to emerge from the Tokyo talks, but the AWES has underlined the dangers of unfettered expansion of shipbuilding in less developed countries, which in its view would only prolong and worsen the present serious overcapacity.

In its submission, AWES stated that until recently it had been estimated that shipbuilding demand up to 1980 will be about 12-13 million tons gross annually. But revised estimates suggest that output in 1979-80 is likely to be between 10-12 million tons gross, at a time when world capacity is expected to be at least 35 million tons gross.

MANAGEMENT

Edited by Rodney Cowton

LETTERS TO THE EDITOR

Are you making the most of your productivity agreement?

All over Britain time and energy are being devoted to productivity agreements on the basis sketched out over the past few months by the Government and the Department of Employment.

Different groups of managers and employees have different opportunities for meeting the Government's guidelines. The principle is that the constraining norm of 10 per cent for wage increases should be exceeded only if it will not increase unit cost.

In addition, the Government wants agreements to ensure that:

- Schemes should be introduced only where they are desirable and necessary to increase efficiency;
- the savings should cover the whole range of costs involved, including the costs of setting them up;
- improved efficiency should be demonstrated before payments are made;
- benefits should be shared with the firm as a whole (for future investment), consumers (in the form of lower prices or better service), and other employees not directly involved;
- payments levels should be set in the light of the last consideration, and recognising that large pay increases or reductions in hours will affect the expectations of other workers' schemes must be self-financing.

What does this set of criteria actually say to employers? Bluntly, the message is that they can keep their workforce sweet if some opportunity exists to pay them more without any noticeable impact on the world outside—by way of higher prices—and if the opportunity is not taken in advance of the improved cash flow that makes the increase possible.

This normally excludes lead-in payments or "kiss and promise" deals which will lead to pay increases on a due date when the requisite reduction in unit costs occurs or not. What does it not exclude?

The productivity principle is that the constraining norm of 10 per cent for wage increases should be exceeded only if it will not increase unit cost

Apparently, it does not exclude reward for adequate output against budget (or compared with last year), whether the employees are parties to preparing and monitoring the budget or not, so long as the budgets are accurate, or reasonably accurate.

Thus, a manufacturing company with a lot of slack in it because of recession may develop a "productivity deal" simply by becoming busier. So long as the increase in activity is not anticipated by the payment, this satisfies the media's criteria of the Department of Employment.

It does not, of course, satisfy the criterion of being "desirable and necessary", except on the argument that some sharing of the improved cash flow is necessary for it to be achieved. Without the short-term inducement, on this reckoning, workers will simply not give the performance that the budgets require.

Equally, where there is conspicuous clutter of jobs, great inflexibility, or a lot of waste that can be comparatively simply controlled, there are opportunities for deals that will satisfy the criteria.

A change in payments systems, the application of method study to routine office work, and the usual devices of head-counting may all produce short-term gains to justify a pay increase.

The trickier enterprise, the easier it will be; the looser, besides, will the bases of calculated saving be. The less necessary will be the attitude that will allow a

joint assessment of common opportunities by managers and other employees.

It should be obvious that an incentive operates directly only when the person involved can see how he personally can effect the course of events, and how his personal effort or adjustment is rewarded.

Equally, if he has to change his behaviour to achieve greater efficiency, and other people who get part of the reward apparently do not, he will feel that he is "carrying the load".

If he is already performing as efficiently as he reasonably can, or as well as he knows how, he will resent the opportunity that other workers have to increase their earnings by moving up from a base of low efficiency.

There are, in fact, many companies in Britain now either concluding or trying with productivity deals of this character, short-term expedients which put off until the next round of negotiation the inevitable internal consequences.

The technical probabilities are various, depending on the circumstances: consolidation of payments to absorb this year's productivity increase into basic pay when the market falls (assuming that there will be no investigation of government sanction) is one; holding off pressure from indirect labour or staff until the opportunity arises or the coast is clear for meeting it is another. And one only has to look at the extraordinary distortions of

payment between supervisors and the supervised in some companies to see how difficult it can be to judge the right moment, or to keep the problem in mind sufficiently to watch for the right moment.

In fact, considerations of this kind provide most of the ammunition against "productivity bargaining" as a concept over the years. Countries which have higher "efficiency of labour utilization" than ours do not engage in productivity bargaining, and thus escape the dominance of 150-year-old Ricardian notions like: "The worker has nothing to sell but his productivity".

On the other hand, if the Nordic Bank survey of Scandinavian employers' experience in Britain is any guide, they may pay a different price, especially in terms of absenteeism.

It is 20 years last July since the United States west coast employers "bought the book" of restrictive practices from their dockers; a year later the Fawley negotiations started the trend in Britain, and we are now in the third phase of official encouragement to this kind of bargaining in Britain. Something must have gone wrong.

The old National Board for Price and Income, and we are now in the third phase of official encouragement to this kind of bargaining in Britain. Something must have gone wrong.

The old National Board for Price and Income, and we are now in the third phase of official encouragement to this kind of bargaining in Britain. Something must have gone wrong.

working; and in return the employer agrees to a higher level of pay or other benefits.

Experience since suggests that the definition requires a rephrasing to "one in which everybody involved agrees to make an appropriate change, or a number of changes, in working practice".

The constant emphasis on productivity as a shop-floor problem ignores the delicate relationships between managers, especially supervisory managers, and the rank and file for whose performance they are responsible. It also implies that managers do not have to adjust to the differences that higher performance makes to their dealings with subordinates.

When this amendment is made productivity agreements can be seen in their proper light—a comprehensive overhaul in the whole way of running an enterprise, which brings defects and mistakes into the open and clarifies common opportunities.

After 20 years of productivity bargaining (so described) and a century of hand-wringing about the lagging productivity of British industry, the challenge, excitement and positive results of such an approach are still a closed book to hundreds of thousands of our two million odd managers and administrators, vast numbers of our 25,000 odd shop stewards and other workers' representatives and hundreds of our 4,000-5,000 trade union officials.

The majority of our production workers are still called "hourly paid" and the incentives they are offered are frequently calculated by the standard minute. In a civilized society we can do much better than that.

Innis Macbeath
The author is a visiting professor at London Business School and a senior consultant with Inbucon/AIC.

Giving a fair income tax deal to childless couples

From Mrs Angela Thomas
Sir, I must disagree with Mr Northcote ("Tax Cuts", November 1). It is high time that couples without children were not the losers in the income tax race.

Such couples, where both partners are employed, contribute comparatively more and extract less from the economy than does a family with several children. The more children a couple has the less that couple contributes and the more they receive as benefits.

As for the birth rate being dangerously low—surely it is only just descending from a dangerously high level.

Yours faithfully,
ANGELA THOMAS,
11 Myrtle Road,
Kingsdown,
Bristol BS2 8BL,
November 1.

man who: (a) is on a penal marginal rate of tax and (b) does not enjoy work for its own sake, is not the very opposite effect just as plausible?

After all, after a tax reduction, I can take home as much net pay for 40 hours work as I previously took home for 41 hours, am I not less, rather than more, inclined to work overtime?

And, more subtly, is not a similar effect likely to influence my attitudes towards productivity, responsibility, promotion and rest of the attributes which we call "incentives"?

Evidence, please.
Yours faithfully,
C. GREENHALGH,
Rosemary House,
Church Street,
Hampden-on-Thames,
Middlesex TW12 2EG,
October 28.

Chancellor's announcement of 50 per cent relief for capital transfer tax on family companies I was telephoned by a client who said that he was so pleased that he intended to put into effect a £300,000 investment programme for his family company which he had planned years ago. I remembered that he had put off this programme because it seemed that there was no point in deliberately making the company a success if it was to be crippled with CIT at the end of the day as a punishment for that success.

Even so, it would be even better if CIT on life-time transfers of family businesses from generation to generation could be abolished altogether. Then, I think, you really would begin to see these companies forging ahead.

Yours faithfully,
R. W. SIERDON,
30 Queen Charlotte Street,
Bristol. BS99 7QQ,
October 28.

The Employment Protection Act

From Mr Barry I. Mordley
Sir, Mr W. G. Francis (November 2) refers to the Employment Protection Act as being "the most inhibiting piece of legislation with which those who run independent companies have to contend".

It does have this effect, one wonders what such companies are doing about the Health and Safety at Work Act, to name but one piece of legislation which was intended to have far more effect.

More importantly, however, Mr Francis refers to the injustices of the Act. What injustices is he referring to? Is he not aware that most of the Act is bringing us into line with the rest of Europe and that some of the Act's provisions are far less radical than those of our European counterparts. If it is arguable that the Act

goes beyond legislation in other countries, which I do not accept, then this would be highly desirable. For far too long we have lagged behind Europe in protective legislation.

Finally, if the measures are so inhibiting, why have they not inhibited other countries which have to contend with such legislation? Germany and France do not seem to be suffering, relatively speaking, of course, as much as England.

The answer to Mr Francis's problems is not to be found in the Employment Protection Act but elsewhere.

Yours faithfully,
BARRY I. MORDLEY,
Senior lecturer in law,
Department of Law,
School of Business Studies,
City of London Polytechnic,
84 Moorgate,
London EC2M 6SQ,
November 3.

Value of the pound and the elderly

From Mr J. W. Skillington
Sir, I hope the manufacturers, business people and financiers who can profit by inflation will remember the hundreds of thousands, probably millions, of middle-aged and elderly people who have saved and invested and who now find their savings and investments worth anything between a fifth and a tenth of what they should have been.

Many have been forced to the Social Services for help. Those who thought a little property a safeguard, find it, through legislation, practically out of their control and the costs of maintenance such that they are forced to sell to the local authority.

A rising pound will help those who have any savings or investments left and probably take some of the financial strain off the social services. Generally it will lead to more controlled and planned spending, and enable one to think ahead. Any government which can restore some of their money to the middle-aged and elderly would doubtless gain their support in a future election.

Yours faithfully,
J. W. SKILLINGTON,
20 Morley Street,
Kettering,
Northants.
October 31.

Engineering design practice

From Mr S. C. Butler
Sir, More than 50 years ago the late Professor Joseph Huband required his civil engineering students at Sheffield University to spend some of their time on design practice. He also took them to see engineering structures in various stages of completion and to foundries, steel and other plants to see being made the materials and components that later they would use.

My memory is getting erratic, but I think it would be correct to say that early this century Prof Huband read a paper on design before a joint meeting of the Institution of Civil Engineers and The Royal Institute of British Architects.

Yours faithfully,
S. C. BUTLER,
Ashbrook Lane,
St Appollis,
Hitchin,
Hertfordshire,
November 2.

Japan gears its production lines for TV replay age

The 1977 Japan Electronics Show in Osaka this autumn was a striking reminder of Japanese strength in consumer electronics. According to a booklet distributed to visitors the value of production rose by 42 per cent last year to over \$7,500m (about £4,000m).

The value of the same products from the United States last year was \$6,747m (£3,700m) and from 11 European countries combined \$6,700m (£3,710m). Goods displayed by the giants of the industry—Hitachi, Matsushita, Mitsubishi, Sanyo, Sharp, Sony, Toshiba—ranged from colour television sets to mini-computers for the home.

However, pride of place went to the video-tape recorder (VTR) for domestic use. This is considered by Japanese companies to be the most important innovation in consumer electronics since colour television and they lead the world in its development.

Linked by cable to a television set, whose screen and sound system it uses, the VTR records programmes on a cassette in much the same way as an audio tape recorder picks up radio programmes. You can record a programme as you watch it and use the cassette for repeat showings.

If you are going to be out of the house you can set an automatic timer on the VTR, which records a programme during your absence. If two good pro-

grammes coincide on different channels you can watch one on the VTR while recording the other live.

Finally, you can use the VTR in conjunction with a closed-circuit camera, which operates on video tape, for making your own films.

In domestic VTR systems the Japanese companies have split into two incompatible groups. This means that the cassettes of one cannot be played on the machines of the other.

Methods of loading tape and tape speeds are the main differences between the two systems.

At the head of one group is Sony, a specialist in audio and video equipment, whose 1976 sales were worth \$1,576m. On the other side is Matsushita, which markets a much wider range of products under the National, Panasonic, Technics and Quasar trade marks and sold \$5,787m worth last year.

Sanyo, Toshiba, Pioneer and Alva have opted for the Betamax system developed by Sony. With Matsushita in the Video Home System (VHS) camp are Hitachi, Sharp, Mitsubishi, Akai and JVC, the originator of VHS.

Sony has tried to persuade Matsushita to adopt its system and the Ministry of International Trade and Industry (MITI) has intervened in an attempt to get both sides to agree on standard design, but in vain. The battle between Betamax and VHS for the

Japanese and American customer is on.

For the domestic market Matsushita is producing 8,000 VTRs a month at Okayama. It is set to raise to 10,000 by the end of the year and a further 2,000 a month of a cheaper and simpler VTR, the VX 2000, on Shikoku island. Twenty thousand standard VTRs and 3,000 VX 2000s a month are being made out on Shikoku for export to the United States.

For the year ending November, 1976, VTRs accounted for less than 1 per cent of total sales but this is certain to increase.

Sony's business in VTRs for the nine months ending July 31 this year was up by 37.5 per cent over the same period in 1976, and amounted to 13.1 per cent of total sales. Production is running at about 30,000 a month, two thirds of it from a plant at Kōbe, near Nagoya. With an extension scheduled to be in operation early next year capacity at Kōbe will rise to 40,000 a month.

The cheapest listed price for a VTR in Japan is 210,000 yen (about £460), for Matsushita's VX 2000. The company's standard VTR sells at 265,000 yen (£585). Sony's latest model, launched last month, has come down 52,000 yen compared with its predecessor, to 228,000 yen (£500).

A Sony cassette with two hours playing time on each side of the tape costs 4,000 yen

(about £880), compared with 4,800 yen (£1,055) for Matsushita's.

In the United States the Betamax is being sold by Zeph and Sears, Roebuck and the VHS by RCA, Magnavox and Sylvania. RCA is offering the Matsushita standard VTR at \$1,000 (£545), about \$300 less than the figure that Japanese companies originally had in mind.

At more than £500 the VTR might seem a gadget for the wealthy, with little prospect of achieving the mass sales of colour television. However, with the Christmas shopper in mind, the manufacturers and wholesalers are already engaged in a price-cutting war in both Japan and the United States. Mr Kazuo Iwama, president of Sony, has said that prices could fall by 30-40 per cent after the first few years.

For Mr Akio Morita, co-founder and chairman of Sony, "the next 10 to 15 years will be the video age". At present less than 1 per cent of households in Japan and the United States own a VTR, compared with more than 90 per cent for colour television. Mr Morita believes that once the 10 per cent level is reached a boom in VTRs will begin; in future the combined television and VTR could be as popular as the cassette radio is today.

Sony plans to start exporting

Betamax to Europe next year and its rivals will not be far behind. However, a more immediate growth potential lies in colour television, which has achieved only between 40 and 50 per cent market penetration.

Simon Scott-Plummer

Chemicals trade surplus of £1,014m

By Edward Townsend
Britain's chemical industry achieved a record trade surplus of £1,014m in the first nine months of this year but its leaders have given warning that the position could be eroded significantly as a result of the stronger pound.

Figures released today by the Chemical Industries Association show that United Kingdom producers had record exports of £2,887m in the first nine months, a rise of 32 per cent in value and 11 per cent in volume compared to the same period of 1976.

Imports were up in value from £1,432m to £1,873m but the healthy export levels boosted the trade surplus by 35 per cent.

Mr Martin Trowbridge, the association's director general, said the performance was "exceptionally good" particularly in the light of the difficulties being experienced in world markets for chemical products.

"The strengthening pound will make our task even tougher, but the United Kingdom chemical industry is well placed, with modern plant and skilled manpower to meet this new situation."

Export growth could well slacken next year, he added.

According to European Chemical News, should present demand conditions remain about the same level next year, sterling drifts back from \$1.84 to \$1.90 by mid-1978, average profits for major United Kingdom chemical companies could only emerge about 15 per cent higher next year against the previously anticipated median of 20 per cent projected by the City.

EEC steel problems on Washington agenda

Brussels, Nov. 6.—Problems connected with the international steel crisis, the multi-lateral trade negotiations and the energy situation will dominate the two-day consultations with the European Economic Community opening in Washington on Monday, an EEC spokesman said here yesterday.

The EEC delegation will be headed by Herr Wilhelm Haferkamp, its vice-president. Mr Richard Cooper, Under Secretary of State for Foreign Affairs, leads the United States negotiating team.

Commission officials said that among the three major subjects to be discussed in Washington, steel was the most important.

Herr Haferkamp said that Viscount Etienne Davignon, the industry commissioner, would discuss steel at a separate and restricted meeting with Mr Robert Strauss, President Carter's special trade representative, and Mr Anthony Solomon, Treasury Under Secretary, on Tuesday.

Commission plans for a three-way steel accord between the EEC, the United States and Japan were being drafted, and would envisage restraints in steel exports to the United States, with similar restraints from the Japanese in their shipments to the United States and the EEC.

In return the Community side would suggest that the United States should drop its anti-dumping procedures against Japanese and European steel makers as well as lifting its quotas on special steel imports from them.

Brussels sources said the Community was most concerned over the anti-dumping

procedure, as it could affect 1,000m (£55m) worth of steel shipments to the United States per annum.

Community representatives are likely to stress that a penal duty on steel imports could seriously harm United States-EEC trade, expected to produce an \$8,000m surplus for the United States this year.

Because of poor domestic steel demand, EEC producers have considerably stepped up their transatlantic exports. In the first nine months of 1977 Europe's exports were up sharply on 1976, industry officials admit. And the possibility of some dumping in the EEC steelmakers' drive to push exports could not be ruled out, it was conceded.

But steel will also be discussed during the regular consultation meetings, when a special working group, the so-called "steel working group", especially the negotiations within the General Agreement on Tariffs and Trade in Geneva.

Also on the agenda are discussions on textile trade problems. The United States is likely to be brought up to date on current negotiations between the EEC and 34 Third World producer countries on restraining textile exports to the Community.

The so-called North-South Dialogue between the industrialized nations of the north and the developing countries of the south is another subject of discussions where EEC officials said, the problem of setting up a common commodity fund and possible commodity agreements to stabilize raw material prices, will be discussed.

AP-Dow Jones.

Business appointments

Dr J. Birks to be managing director of BP

Dr J. Birks has been appointed managing director of British Petroleum from January. Mr A. T. Gregory will succeed Dr Birks as deputy chairman of the executive committee of BP Trading.

F. K. Rickwood will join the board of BP Trading and become a member of its executive committee on the same date.

Mr Brian Coppe has joined the board of Thomas Cook Group.



Dr J. Birks

Mr Harold Anker and Mr John Illingworth have been made joint managing directors of Lyon & Lyon and subsidiaries. Mr M. E. Lyon, previously chairman and managing director, has given up the latter post but remains executive chairman.

Mr J. Turner has joined the board of Edinburgh and General Investments.

Mr A. M. K. Alexander and Mr M. J. Montague have been elected directors of Phoenix Mining and Finance.

Mr F. A. Larcombe has been appointed to the secret board of Agraculture & Associated Companies.

The Times Veuve Clicquot Award

'A Woman in a Man's World'

The last few years have proved that the world of commerce and industry belongs equally to men and women. This has taken place only in the past few years during which time women have asserted themselves more strongly than ever in the world of business.

However, the Times Veuve Clicquot Award has retained its title carrying on the spirit in which it was devised but devoting to the reality of the present day.

Yet in many ways women still have a harder task in reaching the top. Statistics show that in general terms men still reach higher levels in all types of careers, and, truthfully, most people have some surprise when discovering a 'woman at the top'—in whatever profession.

The Clicquot Inspiration

The inspiration behind the original idea for the Award was La Veuve Clicquot. An enterprising young widow of the nineteenth century who founded the conventions of her time and founded a Champagne House which, because the internationally celebrated House of today. Successful in her own lifetime the clever vivacious widow still enjoys great affection from her public who toast her when calling for a bottle of 'The Widow'.

Achievement

The panel this year will look at women working across the broadest spectrum of commerce and industry. It will be looking at the achievements of a nominee. Her degree of responsibility, her power, how enterprising she has been.

Nominations

Complete the nomination form giving full reasons for your choice—summarising her achievements (please attach a second sheet—press cuttings or any relevant background material).

The 1977 Award will be made on the results of nominations sent in by friends, colleagues, admirers, and even rivals—and there is nothing to prevent previous nominations being repeated.

Write your name and address in the space provided and return your entry to 'A Woman in a Man's World', Kerry Falcon, The Times, P.O. Box 7, New Printing House Square, London WC1X 8EZ.

Champagne

A prize of two cases of Veuve Clicquot Champagne will go to the person who nominates the winner, and the nominators of all finalists will be invited to a special presentation reception in the Times Boardroom. The closing date will be November 30th.

The Award

The Times Veuve Clicquot 'A Woman in a Man's World' 1977 will receive:

- A vine to be named after her in the world-famous Clicquot vineyards.
- An expenses paid visit to Rheims for two for the christening of the vine.
- The winner will become Une Amie de La Veuve. At a traditional ceremony in the Clicquot caves, she will be made one of a select circle of friends of the House who receive a bottle of The Widow on every birthday.
- A silver replica of Madame Clicquot's own Tasse de Vin.
- A case of La Grande Dame—a very special vintage Champagne from the vineyards owned by La Veuve Clicquot during her lifetime.

The presentation of the Award will be made at a reception in the Boardroom of the Times Newspaper.

Nomination 1 nominate

Her company is _____

Her status _____

My reasons for nominating her are as follows _____

Nominator's name _____

Address _____

Daytime Telephone No. _____

Rules

- The women nominated must be based in the U.K.
- Times Newspapers Limited and Veuve Clicquot Champagne employees and their relatives may not enter.
- The decision of the panel of judges in final and no correspondence will be entered into.
- Closing date of the Award: 30th November 1977. Winners will be announced in The Times Business News shortly afterwards.
- No names will be quoted without prior consent.

Veuve Clicquot
CHAMPAGNE
MAISON FONDÉE EN 1772

BY THE FINANCIAL EDITOR

Still living with exchange controls

Last week's gyrations in the sterling exchange rate have provided the Government with a little more headroom on the question of a possible easing of controls on overseas investment, presumably while it gauges how stable the recent inflows are likely to be over the longer term.

For the moment, however, the Government appears to have toed the TUC line that to permit easier investment overseas would be tantamount to importing more unemployment (although what evidence there is of that is anyone's guess).

So far as direct capital investment abroad is concerned, though, there is a growing hope among several companies that the authorities will be prepared to relax the "super-criterion" rule which broadly speaking requires an overseas project both to be export-intensive and to return a benefit to the balance of payments of an amount equal to the cost of the investment within 18 months.

Indeed, there have already been signs that the authorities are taking a more relaxed attitude on this already—companies selling overseas assets have been able to keep the proceeds offshore for future investment rather than used to be the case, for example.

Yet controls of one sort or another appear likely to remain for some time; the only silver lining being that the appreciation of sterling takes a lot of the danger out of borrowing abroad to finance overseas investment.

Financial markets, too, appear resigned to the fact that controls on portfolio investment will continue; the investment currency premium was back over 100 per cent level last week, though closing at 95.6 per cent on Friday, despite the strength of the pound against the dollar.

Not too much should be read into that since the recovery has been on the back of very thin trading compared with the heavy sell-off that accompanied August's shake-out. The underlying tone of the dollar premium market is far from strong.

Dealers confirm this, arguing that the effective rate of almost 38 per cent, very near its peaks earlier this year, is out of line with the relative attractions of Wall Street and the London stock market.

Even so, the dollar premium market has recovered its poise after scares earlier this year that it would be phased out, at least on EEC shares, to meet our commitments to the Common Market to abolish restrictions from next January.

While other countries in the Nine, like France, decline to meet their responsibilities in this score, the market is also likely to take this with a pinch of salt, especially as the Government still shows little sympathy with the City even on the vexed question of the 25 per cent surrender rule.

Auditing standards

Towards greater clarity

The accountancy profession has long needed a set of auditing standards which were generally understood by the public. Major accounting firms have developed their own standards based on those produced at statements on auditing practice within the English Institute's handbook.

But these have not been sufficient to protect the profession as a whole from the view, however unjustified, that a couple of human failings and spectacular company disasters and insolvencies, had uncovered a wholly inadequate system of monitoring financial statements.

With good judgment and a modicum of luck, comprehensive set of standards should finally be ready early next year, by which time the proposals on disciplinary proceedings, which will come from the Cross Committee this week, should have been implemented.

So the public should see a profession which has gone far to show that its house is in order, whatever might have been thought.

The auditing standards will back up the statements of accounting practice, which have helped revolutionize understanding of company accounts over the past decade, and disciplinary bodies will have a set of rules to

guide them when making pronouncements. This should be particularly helpful to professional standards committees when considering cases of auditors, which have failed, apparently, to do their duty, and should provide a background to Cross.

But the main task of the Auditing Practices Committee when it puts out its draft standards next year must be good public relations. Auditors have so often been criticized because the public misunderstands what the role of an auditor is, so it is to be hoped that APC will make it clear that the auditor reviews the financial information provided by the management, not the management's performance.

If so, and if the meaning of auditors' qualifications can be standardized so that they are instantly understood by all who use company accounts, the profession could well have made substantial progress towards regaining some of the self-respect it has so evidently lost.

Property unit trusts

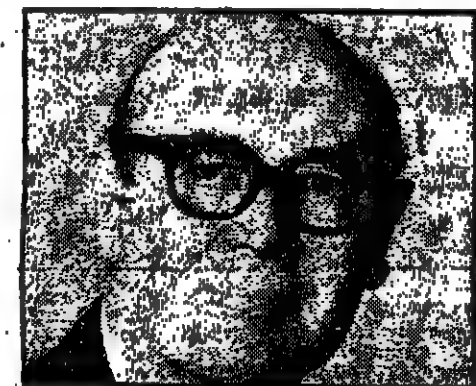
Some investors are getting out

Barclay's Bank's decision to dispose of the properties in the Grasshopper Property Unit Trust will mark the end of a protracted chapter in the sorry story of what was once one of the stars of the property unit trusts.

In 1974 the sixth largest out of the 20 listed funds, the fund of which Barclays is the trustee, ran into difficulties over the Four Astro office development project in Brussels. Since this came hard on the heels of the overall debacle of the secondary banking sector's involvement in the property sector it was a surprise and a relief to find that it did not have severe repercussions for the other property unit trusts.

However, some insidious worries might be creeping in to the merchant banks who tend to dominate the property unit trust industry. There are early signs of a distinct switch away from the property unit trust to the managed funds of the big insurance companies.

Insurance companies believe that money that might once have been earmarked for a property unit trust is now entering their property funds; and there are some reports that money has actually been transferred out of property unit trusts into the insurance funds.



Mr Alex Bennett, chairman of Whitbread (above) told shareholders at the annual meeting in July that the group was fighting to maintain market share amidst a continuation of the difficult trading conditions of the previous half.

Since then there have been strikes closing two breweries in Wales for six weeks. So tomorrow's interim results from Whitbread could provide a depressing start to the brewery round. Beer consumption was probably down by around 2 per cent on the exceptional half of the good summer in 1976, which, in a volume sensitive industry, will have hurt margins, while the growing pressures on disposable income could have led to some trading down.

But brewers expected conditions to be tough and price rises will have gone some way to offset cost increases, which in turn should have been easing recently.

Whitbread, at any rate, should be one of the poorer performers, although a lack of any need for currency provisions will boost published results. From now on the brewer will be looking for improved consumer spending, but possible Government action resulting from the Price Commission report is still worrying the sector.

It will no doubt be considered by many to be in poor taste to say so, but a goodly part of the Government's economic posture has for the moment been saved by the miners.

The decision to let the pound float upwards last week was a forced response to a market situation which the authorities had brought upon themselves. Even the most ardent proponent of letting the pound float upwards, however, would have been biting his nails if the revaluation had gone far.

British manufacturing industry has continued to lose relative competitiveness in the last year. It may be that the cold douche of having to cope with a relatively hard currency in these circumstances would feed through into greater realism and higher productivity all round.

Even in the most favourable circumstances, though, the establishment of such a new "virtuous circle" could not be instantaneous. Meanwhile, a much higher exchange rate would have cut much of British industry out of exports at a stroke.

It certainly runs counter to any

intuitive picture of how the economy works to suggest that a massive jump in the sterling exchange rate would lead readily to any substantial growth in the volume of net demand for British exports in the event the miners put a stop to all that.

All of which makes unintelligible the stand which the Government has taken on the issue of relaxing exchange controls. It is widely reported that a relaxation was a central policy option up to the last minute before last month's economic package. It is also widely assumed that such a policy was politically "not on" for this Government.

The arguments of the main camps for and against relaxing exchange controls are conducted in terms which so completely obscure reality that it is not surprising that the framework within which politicians make decisions is warped.

The emotive argument is that to allow the freer export of capital would encourage an increased export of employment. But there is no serious evidence that investment and creation of jobs in this country are being inhibited by lack of domestic capital.

Lack of many things, maybe; but not lack of money, itself.

On the other side, there is equally little evidence that companies are being seriously inhibited in their overseas investment programmes by the existing exchange controls. Particularly since the general advent of floating exchange rates, most companies have wanted, out of prudence, to finance direct investment in any one country by raising matching capital in that same currency.

And most companies with the capacity to invest abroad have done so. The only slight area of difficulty has been where the appropriate injection of new capital into a subsidiary should be in the form of equity rather than loan capital. But in so far as this may have been a real inhibition, it must have saved as many companies from expensive mistakes as it has cut out potential gains.

In short, the purpose and effect of exchange controls have been, as their name implies, on foreign exchanges and not on employment and investment. The effect of the present regime, which the Government in its wisdom chose to leave standing, has been to

hold the exchange rate for the pound higher than would otherwise have been the case.

More attention should be given to the real costs of this policy. First, substantial sums have been added to public expenditure to service the long-term debt which the authorities were forced to issue in order to mop up the excess liquidity which has been going into the system, as the Bank sold pounds in order to hold down the exchange rate.

Secondly, the British economy is being denied the possibility of investing unwanted hot money in income earning assets abroad.

Thirdly, since the exchange rate is being held up artificially by exchange controls, British industry and employment is being to that extent adversely affected.

Since the relaxation of exchange controls would at one and the same time ease the market and credit management problems of the authorities and remove an artificial prop to sterling, in unusual harmony, both the TUC and the CBI think is too high, it is all the more surprising that political realists cannot find some way of making it politically "on".

North Sea oil and the economy—1

An opportunity for steady and sustained expansion

'The basic strategy of expanding domestic and foreign demand for British industrial products represents the only hope of maintaining, let alone regenerating, British industry during the North Sea oil era.'

Michael Surrey (right) contributes the first of a series of articles on the implications of North Sea oil. The next article will appear later this week



sector borrowing requirement is reduced, so that the implications are monetary rather than fiscal.

Returning to the balance of payments benefit—at least seven different uses have been suggested. They are not mutually exclusive.

(1) Fix the exchange rate and accumulate reserves. This seems pointless, except for limited "insurance" motives against the possibility of a return to the situation of the late 1950s and 1960s when the pound was overvalued. But, in any case, the reserves are already at a high level and this year's funding arrangements mean that the problem of the sterling balance is now much less than it used to be.

(2) Repay accumulated foreign debts. This again seems rather pointless, since foreign indebtedness is generally cheap and easily repayable for a rich country. However, if the terms of the Letter of Intent proved to be a constraint on what was regarded as correct economic policy, there would be a compelling case for making no further drawings on the International Monetary Fund standby credit (and, perhaps, for repaying earlier IMF loans) in order to remove this constraint.

The sums involved are not, in this context, large—including the 1977 element of the standby credit, total indebtedness to the IMF will amount to about £3,000m, with only a fraction of this still available to be drawn.

(3) Allow, encourage or force the exchange rate to rise. The effects of this policy are complex and controversial. In the short run (the first year) the balance of trade improves as

import prices (in sterling) fall and export prices (in foreign currency) rise. In the medium-term everything depends on the effect on price bargaining. As import prices have fallen, money wage claims may be reduced.

If this response is powerful enough to reduce inflation rates so far below what it otherwise would have been that the initial loss of competitiveness caused by the appreciation of the exchange rate is ultimately more than offset, well and good. If not, the result is a further decline in competitiveness, fall in net non-oil exports and contraction of industrial production and employment. But in any case, there is a loss of competitiveness for several years.

(4) Reflate domestic demand. Even assuming that every extra £1,000m of domestic demand procured by tax cuts or expenditure increases will raise imports by something of the order of £300m, it is evident that there is scope for massive reflation without jeopardizing the overall trade balance.

At present levels of unemployment reflation would in any case seem an attractive option, but there are also longer-term advantages. The empirical evidence overwhelmingly shows that the rate of industrial investment is determined predominantly by the level of expected demand and its relation to existing productive capacity, and only to a minor extent by the cost of capital (including investment incentives).

The sustained recovery in investment which the economy so badly needs thus requires a steady expansion of demand for export: we are now in a situation in which this

could be engineered. It must be admitted that this strategy has a poor track record, but the 1954 (Maudslayi) expansion quickly led to a balance of payments crisis while the 1972-73 (Barber) expansion, in addition to being over-rapid, ran straight into the commodity price explosion of 1973.

On this occasion, there is no reason to expect such obstacles.

(5) Accumulate overseas assets. Limited effects on domestic output and employment, since resources repatriated to the United Kingdom are fairly low and tend to accrue to those with a low propensity to spend. Possibly attractive to those who wish to see the exchange rate held down but who oppose reflation and fear the expansionary effects of large current account surpluses on the money supply.

(6) Substantial increase in investment incentives. As noted above, industrial investment seems to be far more strongly influenced by demand than by the cost of capital. In fact, existing investment incentives already heavily subsidize capital investment without apparently stimulating accumulation, and it is highly improbable that the use of government oil revenues to increase the level of subsidies would have a perceptible effect on the rate of investment at current levels of capacity utilization.

(7) Direct investment in industry by the public sector. This would directly increase the capital goods sector in industry (though probably not £ for £ since some private investment would be replaced by public investment). It would also, by increasing employment in the capital goods sector, to some extent stimulate demand. But it is improbable that this

demand stimulus would be sufficient to absorb the potential output of the extra productive capacity, so that on its own this policy would merely increase the amount of idle or under-utilized capacity in the economy.

Any combination, in varying degrees, of these policies is, of course, possible. The front-runners seem to be (3), (4) and (7).

The case for (3) depends on the belief that revaluation of the currency will ultimately improve rather than worsen competitiveness and that the control of inflation cannot be achieved by means of incomes policy. Because of the shaky evidence for its basic tenet, it is a highly risky policy at best; it also leaves untouched the institutional problem of the reform of the wage bargaining process which must sooner or later be faced.

Last week's appreciation of sterling is a sad indication that specious arguments about monetary targets may once again have overcome concern with the real economy.

The problem with (7) is that without a steady expansion of demand the policy will merely create unemployment, while with demand expansion the policy would be unnecessary.

The major plank of policy in the North Sea oil era should thus be steady and sustained expansion of demand and output, engineered by fiscal and monetary policy, together with the maintenance of competitiveness in foreign trade via the management of the exchange rate. Taken together, these should ensure a steady growth in the demand for United Kingdom industrial products from both domestic and foreign purchasers and thus, after a time, lead to a steady growth and modernization of industrial capacity via the induced acceleration of investment.

In the long run rationalization of the process of wage bargaining will no doubt be needed; in the short run, restrictions on imports of manufactured goods should not be ruled out if domestic demand for manufactures threatens to be met disproportionately from abroad. But the basic strategy of expanding domestic and foreign demand for British industrial products represents the only hope of maintaining, let alone regenerating, British industry during the North Sea oil era.

The author is editor of the National Institute Economic Review.

Business Diary in Europe: French lessons in finance

With the dates of the French election announced last week the various political parties are gathering their resources for what promises to be a particularly bitter and therefore expensive campaign.

But if some of the parties of the coalition majority are a little worried about their funds the same cannot be said of the Communist Party.

Pury could lay claim to being one of the most financially successful business operations in the country. It not only has a regular income from the 1 per cent of salary levy made on all party members and the revenue from five collections a year, but it owns controls or has an interest in everything from haute couture to radio-taxis and from supermarkets to table wines.

Although the party will not put a figure on its wealth, some of the known statistics are impressive in their own right. It owns at least 130 blocks of flats, 25 printing works, 50 bookshops, a travel agents and literally hundreds of companies, from big cooperatives to small boutiques.

One party business controls all international trade between France and East European Communist countries; Jacques Esterel was launched as the fashion world by another.

The bank used by the party, the Banque Commerciale pour l'Europe du Nord, has the largest deposits of any foreign bank in France.

for noticing a slight air of defensiveness at a weekend dinner in London at which he was guest of honour.

Aigrain was the principal speaker at one of the occasional dinners held by the Ministry of Defence and the British electronics industry since the formation just before the war of what is now the Ministry's Directorate of Components, Valves and Devices.

It is a tradition of these occasions that the main speaker shall come from abroad to stop everybody getting too insular. On this occasion, Aigrain's presence may also have stopped the MoD and industry diners from getting too introspective.

This weekend's dinner comes as the relationship between the Ministry and the electronics industry is coming under scrutiny in the Central Criminal Court.

There, a colonel in the ministry's sales organization is denying taking, and two executives of the Rada group are denying



Professor Pierre Aigrain in London at the weekend.



"Do you think Roy Jenkins will get his common European currency in time to prevent Britain's next burst of inflation?"

offering, bribes in connexion with the installation of radio equipment in tanks destined for Iran.

If the BBC's television technicians, who blocked out the Queen's Speech, think they're hard done by, they should consider the case of their opposite numbers in Spain.

The Bank of Spain has come to the rescue of Radiotelevision Espanola (RTVE) and has lent enough money to pay the 7,000 workers their October wages.

The broadcasting group, Government-run until this month when a joint committee made up of opposition parties and the Government, will take over, is waiting for 9,300m pesetas (£22m), the remainder of its budget for this year, to be paid into its account.

The head of RTVE, Rafael Anson, has sent a note to the staff saying that the difficul-

chance to publicly air her views. But an early broadside has been fired by George Skelton, Mrs Hook's predecessor as president of the association who was announced as the new Abta team handled negotiations with the Government over retention of the "closed shop" clause in the rulebook.

Regarded by the association's old order as a vital ingredient in maintaining unity, the rule (which ensures that members can only sell each other's products) is one of several defined by the Office of Fair Trading as a restrictive trade practice.

The Abta negotiating team led by Mrs Hook managed to wrangle a grace period of at least a year from the authorities; but there was no assurance that the rule could be kept.

A new twist to the problems faced by would-be emigrants is provided by the case of a Belgian refused permission to settle in New Zealand—apparently because he is too rich. Victor Wager, from Mons, arrived in New Zealand last year and was given a one-year visitor's visa. But when he applied for permanent residence his application was turned down, even though he had invested some £35,000 in a timber mill. According to Wager, who made his money in the insurance business and also owns property in France and West Germany, the New Zealand authorities rejected his application on the grounds that "millionaire" was not among the settlement occupations officially encouraged.

All the signs are that Margo Hook will have a tough time in Lisbon this week at her first conference as president of the Association of British Travel Agents. During her six months in office the elegantly attired Mrs Hook has exhaustively tried to avoid entanglement in the infighting between the various factions of the association. The annual conference, which starts today, is Mrs Hook's first

Industry in the regions

Early next year contractors will begin blasting into the bedrock beside the Cromarty Firth in the first practical step towards building a £220m oil refinery.

The excavated rock will probably serve as foundation for another industrial site nearby and the hole in the ground will eventually become the entrance tunnel to a system of underground caverns in which vast quantities of North Sea oil will be stored.

The controversial project, about which there was so much argument in Parliament, has at last come to life and the confident expectation of both Cromarty Petroleum, the company carrying out the development, and the Highland Regional Council is that in five years the time the plant will begin refining 100,000 tons of crude oil a year.

It will also form the base for a spread of new industry. There is room to double the refinery's capacity and add such lucrative downstream activity as an ethylene cracker and petrochemical complex.

The marine terminal projecting into the deep, sheltered waters of the Cromarty Firth will have twice the initial capacity of the refinery which is assured by a sure mark of confidence. Assurances have been given that only North Sea crude will be handled at the refinery and the local planning authority is assured that the expectations of a market in America for Cromarty Petroleum's products are sound and that the company will have "bankable contracts" for the development.

After the experiences of the last 10 years the Cromarty planners were understandably

A £220m step at Cromarty Firth

sceptical about whether a refinery would ever materialize from the dreams and tattered hopes. The present scheme is the third proposal from an American company in the last decade for a refinery and petrochemical complex around the firth.

Behind the Scottish-sounding name of Cromarty Petroleum is the American financier Daniel K. Ludwig. He is said to be among the richest men in the world with a fortune founded upon bankers, but who has diversified into a wide range of bulk sea transport and beyond to hotels and coal.

What raised Scottish eyebrows about the scheme was the discovery that behind Cromarty Petroleum was Universe Tank-ships. That company was in turn controlled by the Ludwig Institute for Cancer Research, a Liberian-registered corporation based in Switzerland.

The Ludwig organization recognized the rich potential of the Cromarty Firth area which has deep, sheltered water bordered by acres of flat land, much of it zoned for industry. One estimate is that some 2,000 acres of potential industrial land lie vacant and a further 4,000 acres in Nigg Bay could be reclaimed.

The aim is for the Cromarty refinery, which will rank among the largest in Britain, to provide an independent, competitive option for crude oil producers. Nature has also

stepped in to help by providing a veritable string of oilfields from the mouth of the Moray Firth into the North Sea.

This focuses attention on the Cromarty Firth for refining activity, with supplies of virtually on tap, as a centre of petrochemical development and as a supply and service base. Cromarty may also emerge as the terminal point for a gathering pipeline, establishing the Firth as a transshipment centre for exported liquid petroleum gas.

Around the refinery site, industrial development is well established. The British Aluminium plant near Invergordon employs 350 and produces some 100,000 tons a year. That likelihood is that this will be increased by 20 per cent. Highlands Fabricators at Nigg builds the massive ironmongery for the North Sea oilfields and employs a maximum of 1,200. The pipe-coating yard of MK Shand is presently picking over but with the promise of new activity in the North Sea and the possibility of a gas-gathering line being laid, 450 jobs could be added. Owing nothing to the North Sea or the sheltered quality of the Cromarty Firth, Invergordon Distilleries employs 200 and ranks as the largest grain distillery in Europe.

The landscape is broad, empty and swallows large-scale industry. The planners argue that it is far better to develop such industry in one place rather than allow it to the remote and other parts of the Highlands.

Cromarty development would amount to a small scratch on the total coastline of Scotland and there would be plenty of untouched wilderness left.

Ronald Faux

FINANCIAL NEWS AND MARKET REPORTS

Freight report

Last week the mini-boom in large tanker rates pay of the oil went up to \$250,000 a ton. ULLC Starline was fixed Gulf/West at WS 27, and the 700,000 mt dw Thersholm went to Shell for WS 27.

ULLC rates remained buoyant, too. The 570,000-ton armada went to BP for WS 21 1/2. On the very beginning of the week, Arab and Arab-owned tankers were not needed sufficiently for BP to have to pay WS 22 for the 400,000-ton Arab Knudsen. But the Arab Maritime Petroleum Tanker Co's 100,000-ton dw Al Rafaidin did West at WS 25 and went to Shell for Gulf/West loading in December.

But there was an interesting twist here, Portul will cancel its December 5 if the ship has not taken its cargo by then.

So one charterer reckons that the market will ease in December. This is quite possible if most inquiries have been satisfied.

But some brokers feel that the demand for winter fuel is still building up and that WS 30 will drop in the next few weeks to the Gulf this week.

What happens in December depends on inquiry and rates will drop when vessels break charter, or rather, import further. It's will certainly start happening.

Interest in the smaller tanker fleet has been limited, but the 100,000-ton class of tankers, which was fixed Gulf/West to a rate of \$21, which is a rate that is earlier.

The change in rates from the Caribbean saw no change in rates from the Caribbean and activity was quiet.

The Caribbean, there has been a little bit of activity in the 200,000-ton range. The 26,000-ton Mikhman was fixed WS 95 with Phillips Petroleum.

Bank Base Rates

ABN Bank	6%
Barclays Bank	6%
Consolidated Credits	6%
First London Secs	6%
C. Hoare & Co	6%
Lloyds Bank	6%
Loa Mercantile Corp	6%
Midland Bank	6%
Nat Westminster	6%
Russminster Acc's	6%
Shenlev Trust	8%
TSB	6%
Williams and Glyn's	6%

**TANGANYIKA CONCESSIONS
LIMITED**

NOTICE TO HOLDERS OF ORDINARY STOCK DIVIDEND NO 51
NOTICE IS HEREBY GIVEN THAT the Interim Dividend declared on 7th October, 1977 at the rate of 40 per 50p unit of Ordinary Stock for the year ended 31st December, 1977, will be paid on or after 22nd November, 1977 to Stockholders registered in the books of the Company on 31st October, 1977 and to holders for the time being of Stock warrants to Bearer as indicated

Holders of Stock Warrants to
 Power must arrange for an Authorised
 Depositary to deposit Coupon
 No. 51 thereon at the office of the
 company's Paying Agents—
 Tanganyika Holdings Limited,
 6, John Street,
 LONDON WC1N 2ES.
 To deposit this Coupon in
 full, please
 Surrender at—
 Société Générale de Banque,
 3, Montagne du Parc,

Barque Lambert,
24 Avenue Marlin,
en PARIS at—
Credit du Nord et Union
Parisienne
6 & 7 Boulevard Haussmann,
en
Messrs Lazard Frères & Cie,
5 rue Midet-Will,
en SWITZERLAND at—
Swiss Bank Corporation,
Appenzelstrasse 1, BASLE,
and all its Swiss Offices,
en LUXEMBOURG at—
Banque Générale du Luxembourg,

14, Rue Aldringen,
O.
Banque Internationale & Luxembourg
2, Boulevard Royal.
Coupons presented for payment in
Switzerland, Switzerland or
Luxembourg will require to be
accompanied by declarations to the
effect that they have neither been
issued from nor are the property
of persons in the United Kingdom
United Kingdom Income Tax at the
rate of 35% will be deducted—
where holders registered

b) Where other holders on the Principal Register have appointed Agents in Great Britain or Northern Ireland for the receipt of Dividends for their Account.

c) From payments made in respect of coupons presented in London, unless such coupons are accompanied by Inland Revenue Declarations.

By Order of the Board
BAHAMAS INTERNATIONAL TRUST

EURO-LANG TAPES
Talk Business

and teach you
French-German-Spanish-Italian-English
EURO-LANG TAPES KNOWLE SOLIHULL
KNOWLE 4452

Company	Value
Airsprung Ord	2,150
Airsprung 181% CULS	370
Armitage & Rhodes	925
Bardon Hill	1,246

2,370	Deborah Ord
784	Deborah 171 st , CULS
20,269	Frederick Parker
4,042	Henry Sykes
1,000	Jackson Group
15,319	James Burrough
8,366	Robert Jenkins
2,991	Twinlock Ord
7,955	Twinlock 12 th , ULS
2,698	Unilock Holdings

Trade sceptical as Brazil says: 'We bought coffee for our needs'

Commodities

There can be no doubt that persistent allegations that Brazil has been pouring coffee on the London market since June 1947, to force up the international price has got under the skin of the British.

The charge has come not only from London market sources but also from consumers on both sides of the Atlantic. Only last week in the United States Representative Fred Richmond of the New York Democrat who is chairman of the House of Representatives sub-committee on domestic marketing and consumer relations, said that "the United States coffee producing nations had deliberately sent artificially high prices."

Eurobond prices (yields and premiums)

[illegible]

Weekly list of fixed interest stocks

[illegible]

Brasway loss but worst now over

Brasway, the scrap processor and steel stockholder, has suffered badly. In the year to April 30 it made a loss of £550,000 against one of £363,000. However, the board says that the worst is over, and pre-tax profits this year should be "no less than" £200,000. They could be more. The passing of the final dividend for the first time is regretted.

Herman Smith hit by recession

All operating subsidiaries of Herman Smith had a bad time and a quarter of the work force lost their jobs. So pre-tax profits fell from £239,000 to £56,000 in the year to June 30. Orders and prospects have picked up and barring industrial unrest, the chairman feels sure that the group will do better this year.

Unit Trust Prices—change on the week *FT Index change on week 476.2 — 33.1 (6.5%)*[illegible]

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Appointments Vacant also on page 7

WESTMINSTER ABBEY ASSISTANT RECEIVER GENERAL

(Administration)
Applications are invited for the appointment of Assistant Receiver General (Administration) to assist, and when necessary deputise for, the Receiver General, who is the senior lay administrator of the Collegiate Body. Applicants should be in the older age group, but not over 60 and also be Communicant members of the Church of England. The person appointed will be given full opportunity for involvement in all aspects of the Abbey's administration, working alongside the Assistant Receiver General (Finance), and will be expected to undertake personal responsibility for certain duties. The successful candidate will probably be a graduate, preferably in Law, and a member of the Institute of Chartered Secretaries and Administrators or other appropriate professional body and will have personality, energy and the ability to communicate effectively with people at all levels. The salary is negotiable and will be linked to a Civil Service scale with membership of a Pension and Life Assurance Scheme. For full details and application form please write, enclosing a large stamped addressed envelope, to The Receiver General, Room 21, The Chapter Office, 20 Dean's Yard, Westminster Abbey, London, SW1.

REPRESENTATIVES/ TRAINEE MANAGERS

A leading Building Society is seeking men or women of good educational background with the ability to progress to managerial level at an early date. Building society experience is not necessary but applicants with knowledge of finance, insurance, banking or property would have an advantage. Salary according to age and experience plus valuable fringe benefits. Write fully stating present salary to Box 2779 J, The Times.

GENERAL VACANCIES

PROFIT ANALYST TO £4,100

Analysing towards your accounting career? Then this is the only job for you. We are looking for a Profit Analyst to join our team. The job involves analysing company accounts and identifying areas for improvement. The successful candidate will be responsible for preparing reports and presenting findings to management. The salary is £4,100 per annum. Apply to: The Profit Analyst, Box 2779 J, The Times.

ASSISTANT COMPANY SECRETARY TO £4,630

The progressive international company has an exciting opportunity for an Assistant Company Secretary. The job involves managing the company's secretarial and administrative functions. The successful candidate will be responsible for preparing reports and presenting findings to management. The salary is £4,630 per annum. Apply to: The Assistant Company Secretary, Box 2779 J, The Times.

Broadcasting

7.30 pm BBC 2

No better way to see how the Russians celebrate their 60th anniversary of revolution today than by taking advantage of Newsday in Moscow. But if the flow of news and pictures has improved from East to West, it certainly had not in 1957 when a Soviet military nuclear plant near Sverdlosk in the Southern Urals blew up, devastating the area (which is a desert to this day) and killing hundreds of people. World in Action reports.—I.R.R.

BBC 1

10.45-11.00 am, You and Me. 11.15-11.30 am, News. 1.00, Pebble Mill. 1.45-2.00, Chigley. 3.15, Signs of Praise. 3.55, Play School. 4.30, The Wombles. 4.45, Jackanory. 4.50, Emu. 5.05, John Craven. 5.30, Blue Peter. 5.55, Nationwide. 6.30, Are You Being Served? 7.20, Elton John in concert. 8.10, Panorama. 9.00, News. 9.25, Film: Endless Night, with Hayley Mills. 10.00, News. 10.10, Tonight: Ludovic Kennedy talks to Dennis Potter. 11.10, Weather.

BBC 2

10.00-10.15 am, The Role of the Nurse. 11.00-11.15, Play School. 1.30 pm, Workday. 3.00, The Cat in the Hat. 4.00-4.15, Making Toys. 4.30, News. 4.45, Emu. 5.05, John Craven. 5.30, Blue Peter. 5.55, Nationwide. 6.30, Are You Being Served? 7.20, Elton John in concert. 8.10, Panorama. 9.00, News. 9.25, Film: Endless Night, with Hayley Mills. 10.00, News. 10.10, Tonight: Ludovic Kennedy talks to Dennis Potter. 11.10, Weather.

Thames

12.00 pm, Chorizon. 12.15, Stripping Stones. 12.30, The Filtration. 1.00, News. 1.15, Help! 1.30, Farmhouse Kitchen. 2.00, After Noon. 2.25, Bill Brand. 3.20, Westside Medical. 4.20, Clapperboard. 4.45, The Feathered Serpent. 5.15, Eastman. 5.45, News. 6.00, Thames at 6. 6.45, Opportunity Knocks. 7.30, Coronation Street. 8.00, The Upchat Line. 8.30, World in Action. 9.00, News. 9.10, Film: with Beryl Reid, Suzanne Pleshette in The Killing of Sister George. 12.55, John Byron reads poems by R. S. Thomas. (r) repeat.

Radio

6.00 am, News. 6.15, Radio 1. 6.30, News. 6.45, Radio 1. 7.00, News. 7.15, Radio 1. 7.30, News. 7.45, Radio 1. 8.00, News. 8.15, Radio 1. 8.30, News. 8.45, Radio 1. 9.00, News. 9.15, Radio 1. 9.30, News. 9.45, Radio 1. 10.00, News. 10.15, Radio 1. 10.30, News. 10.45, Radio 1. 11.00, News. 11.15, Radio 1. 11.30, News. 11.45, Radio 1. 12.00, News. 12.15, Radio 1. 12.30, News. 12.45, Radio 1. 1.00, News. 1.15, Radio 1. 1.30, News. 1.45, Radio 1. 2.00, News. 2.15, Radio 1. 2.30, News. 2.45, Radio 1. 3.00, News. 3.15, Radio 1. 3.30, News. 3.45, Radio 1. 4.00, News. 4.15, Radio 1. 4.30, News. 4.45, Radio 1. 5.00, News. 5.15, Radio 1. 5.30, News. 5.45, Radio 1. 6.00, News. 6.15, Radio 1. 6.30, News. 6.45, Radio 1. 7.00, News. 7.15, Radio 1. 7.30, News. 7.45, Radio 1. 8.00, News. 8.15, Radio 1. 8.30, News. 8.45, Radio 1. 9.00, News. 9.15, Radio 1. 9.30, News. 9.45, Radio 1. 10.00, News. 10.15, Radio 1. 10.30, News. 10.45, Radio 1. 11.00, News. 11.15, Radio 1. 11.30, News. 11.45, Radio 1. 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